2023

Notice of annual meeting
and proxy statement

PENN
ENTERTAINMENT

A LETTER TO OUR SHAREHOLDERS FROM THE CEO AND PRESIDENT

April 25, 2023

Dear Fellow Shareholders:

As we look back on 2022, it was another transformative year for our Company. We completed a successful rebrand to PENN Entertainment ("PENN"), and despite ongoing macroeconomic headwinds, generated record revenues of $6.4 billion and adjusted EBITDAR of $1.9 billion, which is more than 20% higher than pre-COVID levels and the 2nd highest in Company history. These results were driven by our highly diversified land-based casino portfolio and our rapidly expanding Interactive segment, which achieved profitability in the fourth quarter against a highly competitive landscape.

Further, our Interactive segment achieved a tremendous milestone in April 2022, with the launch of theScore Bet in Ontario using PENN's proprietary player account management platform and its subsequent migration to our in-house risk and trading technology. With full control of our product roadmap, we have been able to quickly add new features and betting markets to theScore Bet, including our own same game parlay offering. We are confident that theScore Bet's demonstrated success and momentum in Ontario is evidence that operating on our proprietary tech stack will accelerate opportunities for new product offerings and deliver improved results for Barstool Sportsbook in the US following its migration to this tech stack later this summer.

Our focused marketing strategy, new product offerings and technology enhancements generated approximately 1.3 million new rated customers last year in our PENN Play™ database, including a significant increase in the 21 to 44 year old age segment. We have seen steady annual growth in play from this key demographic, with total retail theoretical value growing from 10.8% of companywide revenues in 2017 to 18.5% in 2022. To further attract and retain this younger group of customers, we continue to reimagine our properties. In 2022, we opened six new Barstool Sportsbooks and announced four new major retail growth projects in Illinois, Ohio and Nevada, which we expect to generate attractive returns. We also continued to revitalize our properties with new games, enhanced technology, refreshed hotel offerings and new third-party restaurant concepts.

Last year, we also made continued progress with the roll out of our industry-leading cashless, cardless and contactless technology ("3C's"), which is now deployed at twenty-one properties, representing approximately 70% of our retail EBITDAR. Guests who use 3C's at our properties enjoy a better guest experience and demonstrate superior loyalty through increased visitation, time on device and total theoretical value.

We continue to believe that our stock price does not reflect PENN's intrinsic value, which is why we repurchased $601 million of PENN stock in 2022 under the $750 million share repurchase program authorized in January 2022 and initiated an additional $750 million share repurchase program in January 2023. As we think about the cadence of our share repurchase program in 2023 and beyond, we will balance our repurchases against our operating cash needs, leverage and opportunities for strategic growth and investment opportunities.

So far in 2023, we closed on our acquisition of Barstool Sports, Inc. ("Barstool") and are actively integrating Barstool into the PENN family. Barstool's vast audience, combined with the reach and highly engaged user base of theScore, creates a significant digital footprint and customer ecosystem that we believe will propel our properties, Barstool Sportsbook, theScore Bet and our uniquely integrated media and gaming business in 2023 and beyond. With the recent rebranding of our loyalty program to PENN Play, we are also taking steps to better align all our brands under the PENN umbrella and create a more seamless omni-channel experience for our customers, which we believe will have a meaningful impact on both our retail and online gaming performance.

I'm also proud to report that we made significant progress on our ESG journey in 2022, in partnership with the Nominating and Corporate Governance Committee of our Board, as well as our internal ESG and Diversity Committees. We were the top publicly traded gaming company honored by Forbes magazine on their list of "America's Best Employers for Diversity," and were also recognized by Forbes as one of "America's Best Large Employers". In addition, PENN was once again named an "Employer of First Choice" in the annual Bristol Associates-Spectrum Gaming's Executive Satisfaction Survey. Separately, our Interactive segment received top honors in Bristol's iGaming and mobile sports betting category. Finally, with female members comprising 44% of our Board, we were named a "Champion of Board Diversity" by the Forum of Executive Women for a second year in a row. I encourage you to read our latest CSR Report for additional details on our rapidly expanding ESG and DE&I initiatives and enhanced disclosures, including our inaugural SASB disclosure.

As always, I'd like to thank you, our valued shareholders, for your ongoing support and confidence. We hope you are as excited as we are for what the future holds for PENN.

Sincerely,

Jay Snowden

Jay Snowden

CEO and President

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Tuesday, June 6, 2023

10 a.m. Eastern Time
www.virtualshareholdermeeting.com/PENN2023

PROXY VOTING

Your vote is important. Whether or not you plan to attend the Annual Meeting, we urge you to vote your shares now as instructed in the proxy statement.

To Our Shareholders:
You are cordially invited to attend the 2023 Annual Meeting of Shareholders (the "Annual Meeting") of PENN Entertainment, Inc., at which shareholders will vote on the following proposals:

Items of Business

1. To elect the four Class III directors to serve until the 2026 Annual Meeting of Shareholders and until their respective successors are duly elected and qualified.
2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accountant for the fiscal year ending December 31, 2023.
3. To approve (on a non-binding, advisory basis) the compensation of our named executive officers.
4. To hold an advisory vote on the frequency of the shareholder advisory vote to approve compensation paid to our named executive officers.
5. To approve the amendment to our 2022 Long-Term Incentive Compensation Plan to increase the number of authorized shares.

Other business will be transacted as may properly come before the Annual Meeting or any postponement or adjournment thereof.

Record Date

Shareholders of record of our common stock as of the close of business on April 10, 2023, are entitled to notice of and to vote at the Annual Meeting and any postponements or adjournments thereof.

This Notice of Annual Meeting and the accompanying proxy statement are first being made available to our shareholders on or about April 25, 2023.

By order of the Board of Directors,

Harper Ko
Executive Vice President, Chief Legal Officer and Secretary

Wyomissing, Pennsylvania
April 25, 2023

VOTING CAN BE COMPLETED IN ONE OF FOUR WAYS:

VIA THE INTERNET
Go to **www.proxyvote.com**, available 24/7

BY TELEPHONE
Use the toll-free number shown on your Proxy Card or Voting Instruction Form and follow the recorded instructions

BY MAIL
Mark, sign, date and return the enclosed Proxy Card and related instructions in the postage-paid envelope

DURING THE MEETING
Vote through the virtual portal at **www.virtualshareholdermeeting.com/PENN2023** during the Annual Meeting

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIAL FOR THE ANNUAL MEETING TO BE HELD ON JUNE 6, 2023

The accompanying proxy statement and our 2022 Annual Report are available at **https://investors.pennentertainment.com/reports-filings/sec-filings**. In addition, our shareholders may access this information, as well as submit their voting instructions, at **www.proxyvote.com** by having their proxy card and related instructions in hand.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Proxy Statement contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified using forward-looking terminology such as "expects," "believes," "estimates," "projects," "intends," "plans," "goal," "seeks," "may," "will," "should," or "anticipates" or the negative or other variations of these or similar words, or by discussions of future events, strategies or risks and uncertainties. Such statements are all subject to risks, uncertainties and changes in circumstances that could significantly affect the Company's future financial results and business. Accordingly, the Company cautions that the forward-looking statements contained herein are qualified by important factors that could cause actual results to differ materially from those reflected by such statements. Such factors include those factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each as filed with the U.S. Securities and Exchange Commission. The Company does not intend to update publicly any forward-looking statements except as required by law. Considering these risks, uncertainties and assumptions, the forward-looking events discussed in this Proxy Statement may not occur.

PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all the information that you should consider, and you should read the entire Proxy Statement carefully before voting.

About the 2023 Annual Meeting of Shareholders

DATE AND TIME	LOCATION	RECORD DATE
Tuesday, June 6, 2023 10 a.m., Eastern Time	Live webcast accessible at: **www.virtualshareholdermeeting.com/PENN2023**	April 10, 2023

How to Vote

VIA THE INTERNET	BY TELEPHONE	BY MAIL	DURING THE MEETING
Go to **www.proxyvote.com**, available 24/7	Use the toll-free number shown on your Proxy Card or Voting Instruction Form and follow the recorded instructions	Mark, sign, date and return the enclosed Proxy Card and related instructions in the postage-paid envelope	Vote through the virtual portal at **www.virtualshareholdermeeting.com/PENN2023** during the Annual Meeting

Annual Meeting Proposals

Proposal	Board Vote Recommendation	Page Reference
Proposal 1: Election of Class III Directors	FOR each Nominee	20
Proposal 2: Ratification of Appointment of Independent Registered Public Accounting Firm	FOR	41
Proposal 3: Advisory Vote to Approve the Compensation of Named Executive Officers	FOR	86
Proposal 4: Advisory Vote on the Frequency of the Shareholder Advisory Vote to Approve Compensation Paid to the Company's Named Executive Officers	ONE YEAR	87
Proposal 5: Approve the Amendment to our 2022 Long-Term Incentive Compensation Plan to Increase the Number of Authorized Shares	FOR	88

General

The board of directors (the "Board of Directors" or "Board") of PENN Entertainment, Inc. ("PENN Entertainment," "PENN," "the Company," "we," "us" and "our") is soliciting proxies to be voted at the 2023 Annual Meeting of Shareholders (the "Annual Meeting"). This proxy statement (the "Proxy Statement") provides the information shareholders need to know to vote by proxy or in person (virtually) at the Annual Meeting. Shareholders do not need to attend (virtually) the Annual Meeting to vote. If, at the close of business on April 10, 2023, you were a shareholder of record or held shares through a broker, bank or other nominee, you may vote your shares by proxy via the Internet, by telephone or by mail. For shares held through a broker, bank or other nominee, you may vote by submitting voting instructions to your broker, bank or other nominee. Please refer to information from your broker, bank or other nominee on how to submit voting instructions.

PROXY STATEMENT SUMMARY

The Annual Meeting will be a "virtual meeting" of shareholders, which will be conducted exclusively online via audio webcast. You will be able to attend the virtual meeting online by visiting **www.virtualshareholdermeeting.com/PENN2023**. You also will be able to vote your shares electronically at the virtual meeting. PENN Entertainment believes that hosting a virtual meeting will enable greater shareholder attendance and participation. Importantly, the virtual meeting has been designed to provide the same rights to participate as you would have at an in-person meeting. Additional information about how to vote and participate at our virtual meeting can be found at the end of this Proxy Statement under "About the Meeting: Questions and Answers."

PENN Entertainment is utilizing the Securities and Exchange Commission (the "SEC") rule that allows companies to furnish their proxy materials over the Internet. As a result, we mailed to our shareholders a Notice Regarding the Availability of Proxy Materials (the "Notice of Availability") instead of a paper copy of the proxy materials (including the proxy card (the "Proxy Card"), the Proxy Statement, and our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 ("2022 Annual Report")) on or about April 25, 2023. We also provided access to our proxy materials over the Internet beginning on that date. The Notice of Availability contained instructions on how to access the Proxy Statement and the 2022 Annual Report and how to vote online or by toll-free number. After receiving the Notice of Availability, all shareholders can access the proxy materials over the Internet and request to receive a paper copy of the proxy materials by mail. Additionally, shareholders can access a copy of the proxy materials at **www.proxyvote.com**.

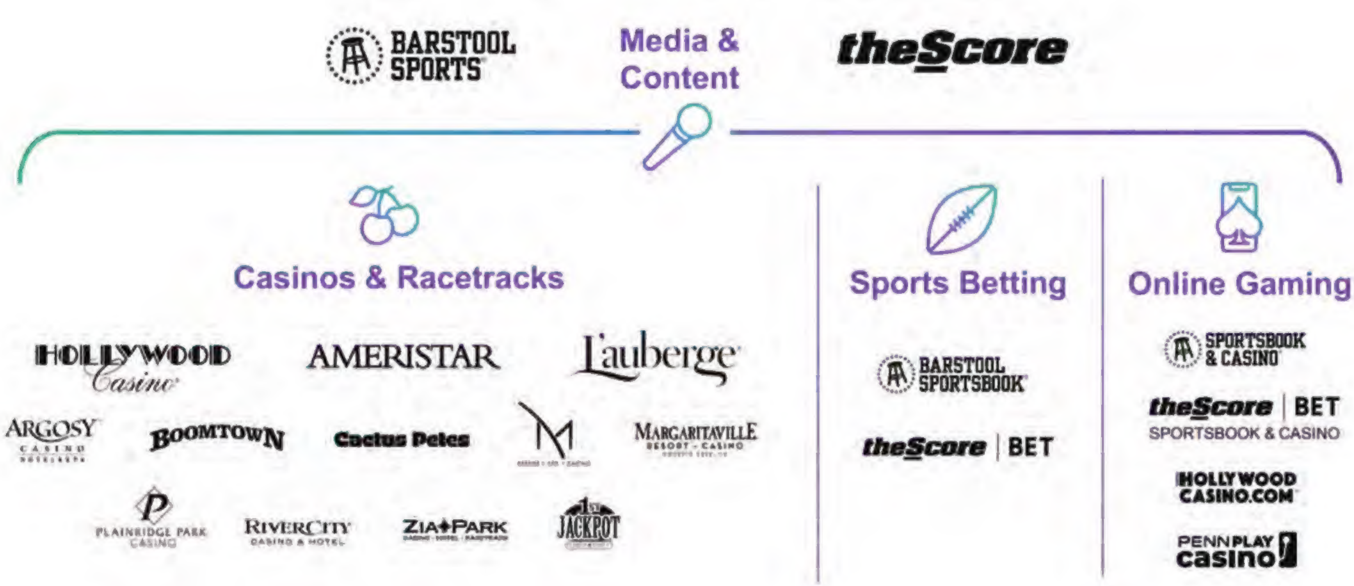
PROXY STATEMENT SUMMARY

Our Company

PENN Entertainment, Inc. (Nasdaq: PENN) is North America's leading provider of integrated entertainment, sports content and casino gaming experiences. PENN operates 43 properties in 20 states, online sports betting in 17 jurisdictions and iCasino in five jurisdictions under a portfolio of well-recognized brands, including Hollywood Casino®, L'Auberge®, Barstool Sportsbook® and theScore Bet Sportsbook and Casino®. In 2023, PENN completed its acquisition of Barstool Sports, Inc. ("Barstool"). Barstool's vast audience, combined with the reach and highly engaged user base of Score Media and Gaming Inc. ("theScore"), provide us with a significant digital footprint and growing customer ecosystem. PENN's highly differentiated strategy, which is focused on organic cross-sell opportunities, is reinforced by its investments in market-leading retail casinos, sports media assets and technology, including a state-of-the-art, fully integrated digital sports and online casino betting platform, and an in-house iCasino content studio. The Company's portfolio is further bolstered by its industry-leading PENN Play™ customer loyalty program (formerly known as my**choice**®), which offers its approximately 26 million members a unique set of rewards and experiences across our business channels. PENN is deeply committed to fostering a culture that welcomes a diverse set of customers and dedicated team members. The Company has been consistently ranked in the top two as "Employer of First Choice" over the last nine years in the Bristol Associates-Spectrum Gaming's Executive Satisfaction Survey. In addition, as a long-standing good corporate citizen, PENN is also committed to creating a culture of responsible gaming, being a trusted and valued member of its communities and acting as a responsible steward of our finite natural resources.

Executing on Our Omni-channel Strategy

Our focused marketing strategy, new product offerings and technology enhancements generated approximately 1.3M new rated customers last year in our PENN Play database. A significant number of these new rated customers came from the 21 to 44 year old age segment. We have seen a steady annual increase in play from this key demographic, with total retail theoretical value growing from 10.8% of companywide revenues in 2017 to 18.5% in 2022. To further capture and retain this younger group of customers, we are continuing to reimagine our properties. We opened six new Barstool Sportsbooks last year and announced four new major retail growth projects in Illinois, Ohio and Nevada. We are also continuing to add new games, enhanced technology, refreshed hotel offerings, and new third-party restaurant concepts at our properties. As we look to the future, we believe that our media and content ecosystem, which was further bolstered when we closed on our acquisition of Barstool in February 2023, will continue to provide highly efficient cross-sell opportunities between our retail casino, online sports betting and online gaming verticals, as well as new channels for growth, including in the advertising and commerce spaces. As of April 25, 2023, our retail and interactive gaming footprint includes 43 retail properties across 20 states, retail sports betting in 13 states, online sports betting in 17 jurisdictions, and iCasino in five jurisdictions.

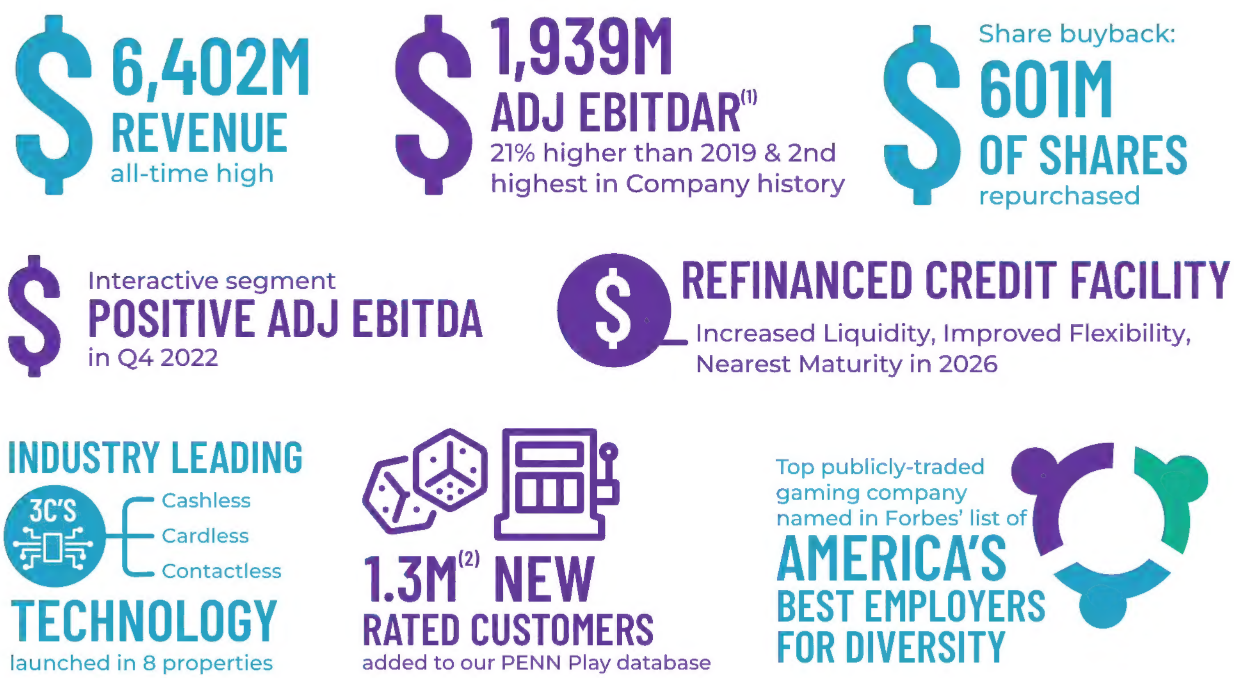


PROXY STATEMENT SUMMARY

2022 Performance Highlights

2022 was another transformative year for PENN Entertainment, in which we focused on executing our leading omni-channel growth strategy. The Company's rebranding to PENN Entertainment, Inc. reflects our evolution into North America's leading provider of integrated entertainment, sports content and casino gaming experiences. We are also finding new ways to drive long-term shareholder value, as demonstrated through the addition of nearly 1.3M new rated players to our PENN Play database, the deployment of our cashless, cardless and contactless technology ("3C's Technology"), the announcement of four exciting new retail growth projects at properties in Illinois, Ohio, and Nevada, and the launch of online sports betting in four jurisdictions and iCasino in one. Our Interactive segment reached a major milestone in April 2022, when theScore Bet launched in Ontario using PENN's proprietary player account management platform ("PAM") and subsequently migrated to our in-house risk and trading technology (together, the "PENN Online Platform"). The continued expansion of our Interactive segment and the successful deployment of the PENN Online Platform is a testament to our team's ability to rapidly scale, notwithstanding the challenging market for talent attraction and retention.

Despite ongoing macroeconomic headwinds, our best-in-class operators were able to achieve 451 basis points of Adjusted EBITDAR margin improvement at our retail operations versus 2019 (the last full year of operations prior to Covid-19), while also achieving the second highest Adjusted EBITDAR in the Company's history. Further, we took significant steps to improve our balance sheet, ending the year with one of the lowest lease-adjusted net leverage ratios in the Company's history.



(1) Adjusted EBITDAR is a non-GAAP financial measure. For a definition and reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure, see the section entitled "Non-GAAP Financial Measures" on pages 44 - 46 of our 2022 Annual Report.

(2) Approximately 1.3M new rated customers were added to the PENN Play database in 2022.

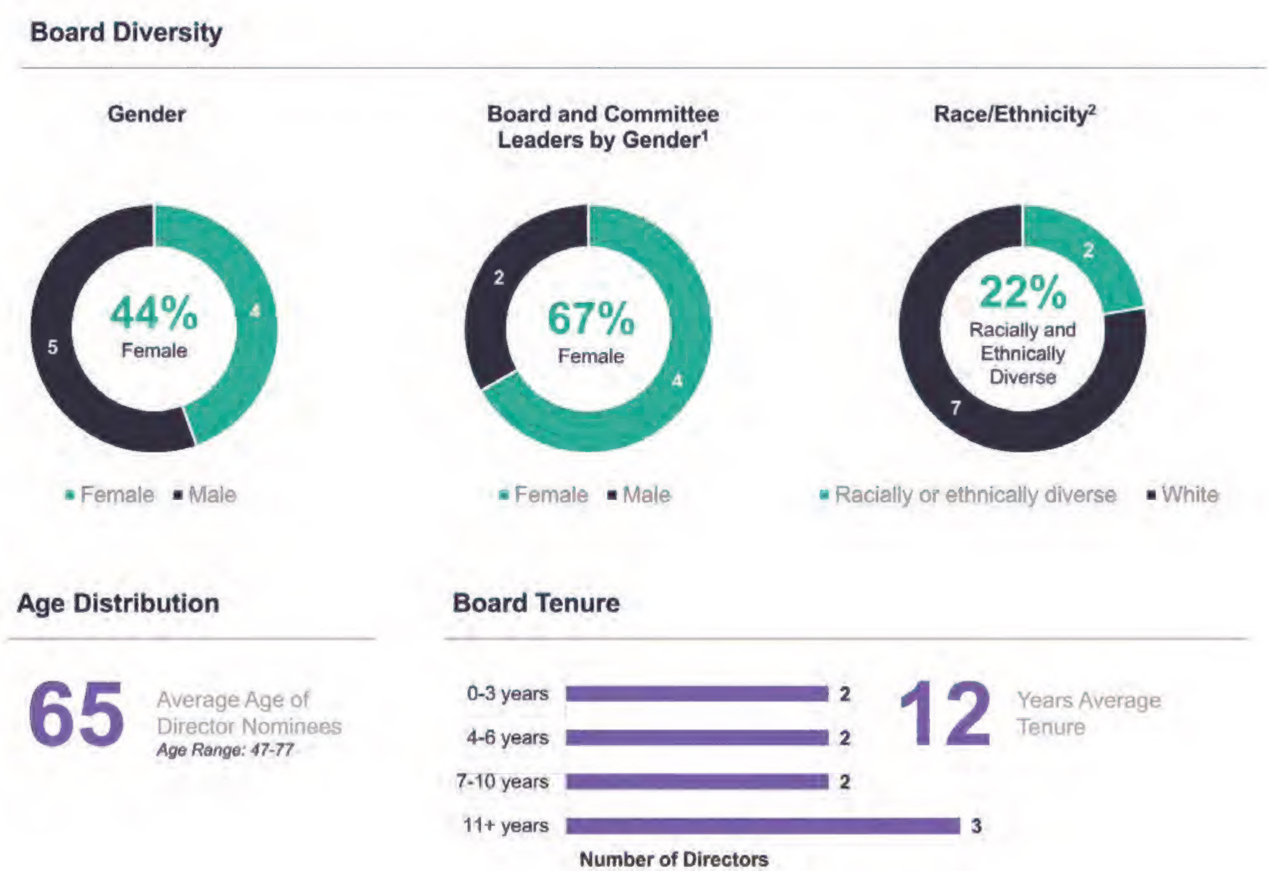
In 2023, we will continue to execute on our highly differentiated strategy to expand our ecosystem and drive shareholder value, including through the deeper integration of Barstool into the PENN family, the launch of retail and online sports betting and iCasino as new jurisdictions legalize, and the migration of Barstool Sportsbook onto the PENN Online Platform in July 2023, which we believe will accelerate opportunities for new product offerings and deliver improved results for Barstool Sportsbook.

PROXY STATEMENT SUMMARY

Our Board of Directors

Our Board is composed of highly experienced directors who have led, advised, and established leading organizations and institutions. Our Board has taken a thoughtful approach to board composition to ensure that our directors have the experience and skillsets that collectively add significant value to the strategic decisions made by the Company and that enable them to provide oversight of management to ensure accountability to our shareholders. Our directors have extensive backgrounds as entrepreneurs, operational and financial experts, investors, advisors, and public company and nonprofit board members. We believe our Board has achieved the right balance between long-term understanding of our business and fresh external perspectives by adding four new directors in the past six years while ensuring diversity of backgrounds and perspectives within the boardroom. PENN has been recognized by two prominent organizations for the gender diversity on our Board. In addition to gender and demographic diversity, we also recognize the value of other diverse attributes that directors may bring to our Board, including service in the U.S. military. We are proud to report that three of our nine current directors are also military veterans.

Snapshot of Board Profile and Diversity



(1) PENN Entertainment's Board and Committee leaders are: (i) Jane Scaccetti (Audit Committee Chair); (ii) Barbara Shattuck Kohn (Compensation Committee Chair); (iii) Marla Kaplowitz (Nominating and Corporate Governance Committee Chair); (iv) Thomas Auriemma (Compliance Committee Chair); (v) Barbara Shattuck Kohn (Lead Independent Director); and (vi) David Handler (Board Chair). Each of these Board and Committee leaders are independent directors except for Mr. Auriemma who serves as an independent non-director member of the Compliance Committee. Mr. Auriemma is the Company's former Vice President, Chief Compliance Officer and former Director of the Division of Gaming Enforcement in New Jersey, with over 30 years of experience as a gaming regulator in the State of New Jersey.

(2) As self-identified in the Board Diversity Matrix below.

PROXY STATEMENT SUMMARY

Board Diversity Matrix (As of April 10, 2023)

Gender:	Female	Male
Directors	4	5
Number of directors who identify in any of the categories below:		
African American or Black	1	0
Asian	1	0
Hispanic or Latinx	1	0
White	3	5
Two or More Races or Ethnicities	2	0
LGBTQ+		1
Military Veterans		3

Board and Committee Membership

	Age [1]	Independent	Audit	Compensation	Nominating and Governance	Compliance [2]	# Of Other Public Company Boards
Vimla Black-Gupta	53	Y		👥		👥	0
David Handler	58	Y					0
John Jacquemin	76	Y			👥		0
Marla Kaplowitz	57	Y		👥	👤		0
Ronald Naples	77	Y			👥	👥	0
Saul Reibstein 🖩	74	Y	👥	👥			1
Jane Scaccetti 🖩	68	Y	👤			👥	0
Jay Snowden [3]	47	N					0
Barbara Shattuck Kohn 🖩	72	Y	👥	👤			1

👥= Member 👤 = Chair 🖩 = Financial Expert

(1) As of April 10, 2023.

(2) The Compliance Committee is chaired by an independent non-director member, Thomas N. Auriemma. Mr. Auriemma is the Company's former Vice President, Chief Compliance Officer and former Director of the Division of Gaming Enforcement in New Jersey, with over 30 years of experience as a gaming regulator in the State of New Jersey.

(3) Mr. Snowden serves as our Chief Executive Officer and President.

PROXY STATEMENT SUMMARY

Qualifications, Skills and Experience

PENN Entertainment's Board believes that having a diverse mix of directors with complementary qualifications, expertise, and attributes is essential to meeting its oversight responsibility. The table below summarizes the qualifications, expertise and attributes possessed by one or more of PENN Entertainment's directors that are of particular relevance to the Company's business and structure, but does not encompass all qualifications, expertise and attributes of the Board. These factors were considered by the Nominating and Corporate Governance Committee and the Board in connection with this year's director nomination process.

Industry Knowledge and Business Experience (includes Gaming, Hospitality and Media)

Experience as executives, directors or in other leadership positions in areas relevant to PENN's business, including gaming, hospitality or media industries.

Technology/Digital

Experience working in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and further develop PENN's omni-channel strategy.

Sales & Marketing

Experience developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.

Financial (includes Capital Markets, Accounting & Tax)

Experience resulting in proficiency in capital markets, complex financial management, capital allocation, and financial reporting processes.

Strategic Planning / M&A

Experience developing and executing long-term strategic plans to encourage innovation and growth, including growth through acquisitions and other business combinations, with the ability to assess "build or buy" decisions, analyze the fit of a target with a company's strategy and culture, accurately value transactions, and evaluate operational integration plans.

HR/Talent Management

Experience with oversight of executive compensation, succession planning, or employee engagement.

Risk Management

Experience assessing and mitigating significant competitive, regulatory, and technological risks across an enterprise.

Cybersecurity

Understanding of information technology systems and information security whether through academia, industry, or board oversight experience.

Environmental, Social & Governance (ESG)/Diversity, Equity & Inclusion (DE&I)

Board experience provides insight into new and best practices which informs PENN's commitment to authenticity in ESG and DE&I.

Corporate Governance

Board experience provides insight into new and best practices which informs PENN's commitment to excellence in corporate governance.

Regulatory/Legal

Experience in a highly-regulated industries, such as gaming, financial services, healthcare, pharmaceuticals, etc.

Government Affairs

Experience in public policy and stakeholder engagement through extensive interactions with governmental entities and non-governmental organizations.

PROXY STATEMENT SUMMARY

Corporate Governance Highlights

We are committed to sustainable corporate governance practices that promote long-term value creation, transparency and accountability to our shareholders. Below are the highlights of our corporate governance practices.

TOPIC	CORPORATE GOVERNANCE BEST PRACTICES
Robust Board and Committee Composition	• Independent Board Chair • Separate Lead Independent Director role • All directors (except CEO) are independent • All Committees comprised solely of independent members • All Audit Committee Members are financial experts
Refreshed and Diverse Board	• Strategy-aligned diverse mix of skills and experiences on the Board • Ongoing and thoughtful Board and Committee refreshment • 2 new independent directors appointed in the last three years • 55% diverse board based on gender, race/ethnicity and LGBTQ+ identity • 4 out of 6 board leadership roles are held by women
Alignment with Shareholder Interests	• One class of common stock with equal voting rights • Annual say-on-pay vote • Director-led, proactive, year-round shareholder engagement program • Robust stock ownership guidelines for executives and directors • Variable and at-risk compensation representing 89% of CEO's and 77% of other NEO's total target pay
Effective Risk Oversight	• Quarterly review of the Company's risk profile, including risks associated with cybersecurity, human capital management, DE&I, climate change and sustainability • Compliance Committee with broad authority, comprised of independent directors and external non-director compliance professional • Cybersecurity oversight by Board and Audit Committee • Independent directors meet regularly without management • The Compliance Committee receives quarterly updates on whistle blower matters • Comprehensive new director onboarding and continuing education program
Succession planning	• Extensive CEO and executive leadership succession planning • Robust director succession planning with focus on Board candidates with diverse experience, skills, background, race/ethnicity and gender • Annual Board and Committee self-evaluation
Effective Compensation Program Governance	• Strong Insider Trading Policy including Anti-Hedging, Anti-Short Sale and Anti-Pledging obligations • Clawback Policy • "Double-Trigger" for Change in Control Severance Payments • One-Year Minimum vesting period on equity grants

Shareholder Outreach and Engagement

Shareholder engagement is vital to the achievement of our strategic and business objectives and to the ongoing review of our corporate governance, environmental sustainability, social responsibility, and executive compensation programs and practices. We regularly communicate with our investors on matters relating to our business, strategy and performance, corporate governance, board composition and structure, executive compensation program and corporate responsibility and sustainability initiatives.

2022 Shareholder Engagement Highlights

In 2022, we contacted 14 of our largest shareholders representing approximately 54% of our outstanding shares of common stock to discuss various engagement topics, including our 2022 say-on-pay outcome. Our Board Chair, and the Chairs of our Compensation Committee and our Nominating & Governance Committee, together with the Chief Legal Officer and Chair of our ESG Committee, engaged with shareholders representing approximately 43% of our outstanding shares of common stock.[1]

Key responsiveness actions to 2022 shareholder:

- Diversified performance metrics for the short- and long-term incentives
- Introduced ESG metrics related to the long-term incentive program which were thoughtfully designed to improve DE&I awareness and promote career development and leadership opportunities across the Company
- Introduced a climate-related performance metric into our 2023 long-term incentive program, expanding the ESG performance measures beyond the initial DE&I focus and in alignment with shareholder priorities
- Finalized Scope 1 and 2 greenhouse gas emissions inventory
- Published EEO-1 data on our corporate sustainability portal
- Published a Political Activity and Public Policy Statement on our corporate social responsibility portal in 2023
- Committed to quarterly disclosure of our political activity beginning in 2023

(1) Outstanding share ownership calculated as of September 30, 2022

PROXY STATEMENT SUMMARY

PENN Cares for our People, our Communities, and our Planet

We recognize that the investment community, our team members, community partners and our customers have an expectation for PENN Entertainment to serve as a good corporate citizen. The Nominating and Corporate Governance Committee oversees ESG risks and initiatives, which includes environmental and sustainability initiatives, social responsibility, the Company's culture, talent strategy, and diversity, equity, and inclusion (DE&I).

<table>
<tr>
<td>PLANET</td>
<td colspan="2">We're dedicated to safeguarding our natural resources

Finalized Scope 1 and 2 greenhouse gas emissions inventory and published our first SASB-aligned disclosure (based on 2021 and available 2022 data) and are in the process of updating our Scope 1 and 2 inventory with 2022 consumption data
Lowered our emissions by approximately 13,000 MT CO2e in 2021 by procuring carbon-free energy.
Enhanced energy efficiency through LED lighting updates throughout our properties, installing EV charging stations and smart thermostats
Eliminated the use of 1.2M single-use plastic amenity bottles at our properties, resulting in a savings of 3.6 tons of single-use plastic consumption, and through the installation of water refill stations we are aiming to further reduce the use of plastic water bottles at our properties
Continued expansion of our 3C's Technology provides our customers with a cardless PENN Play loyalty program experience, thereby reducing the amount of plastic used for loyalty program cards
Prioritized sustainable food production and supply chain through focus on fair trade, hormone-free and reduced-antibiotic food and beverage procurement. In 2022, we added cage-free eggs and reduced-antibiotic turkey. Companywide, beef consumption was reduced by 630,000 pounds between 2019 and 2022 as a direct result of the elimination of buffet dining at various properties

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<td rowspan="2">PEOPLE</td>
<td colspan="2">We're committed to Diversity, Equity and Inclusion

Completed a companywide mandatory DE&I training initiative and launched a second phase of training for our leadership teams
Rolled out an enterprise-wide Emerging Leader Program, which equips frontline team members with leadership skills and provides an additional path for diversity in leadership roles. Candidate diversity includes:

36% self-identified as racially or ethnically diverse
51% female

Achieved 29.5% increase in gender diversity of the executive team since 2017, and 25% increase in racial/ethnic diversity over the same period
100% of open executive roles included either female or racially or ethnically diverse candidates
Published EEO-1 data on our corporate sustainability portal

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<td>46% of employees are diverse based on race/ethnicity</td>
<td>48% of employees are diverse based on gender</td>
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<td>COMMUNITIES</td>
<td colspan="2">We're Making a Difference in our Communities

We contributed $7.6M and volunteered 8,000 hours in 2022 to directly support charitable organizations and communities where PENN operates
Remitted approximately $20M in annual development agreement funds in Iowa and Indiana for economic development and community support
Continued our support of veterans and active-duty military through the establishment of our second (Penn State Berks) and third (Alvernia University) veteran-focused scholarship programs, which are in addition to our Harold Cramer Memorial Scholarship Fund for veterans at the University of Pennsylvania Carey Law School
Continued our partnership with the U.S. Chamber of Commerce's Hiring Our Heroes Program, which connects veterans, service members and military spouses with meaningful employment opportunities
Dedicated over $4M to fund STEM scholarships at Historically Black Colleges and Universities ("HBCU") and increased our STEM scholarship HBCU partner schools by 50% (over 2021) to a total of 6 HBCU institutions
PENN Interactive received RG Check iGaming Accreditation from the Responsible Gambling Council ("RGC") for its online gaming platforms, becoming the first U.S. online gaming operator to voluntarily undergo this comprehensive responsible gaming accreditation process

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RECOGNITIONS AND AWARDS

Forbes magazine:

139th out of 500 of "America's Best Employers for Diversity," which is the highest ranking of any publicly-traded gaming company.

All-In Index:

#4 ranked gaming company for Diversity, Equity, Inclusion and Belonging (top ranked commercial casino operator).

The Forum of Executive Women:

With female members comprising 44% of our Corporate Board of Directors, we were named for the second year in a row as a "Champion of Board Diversity" by the Forum of Executive Women.

Age Friendly Institute:

PENN Entertainment was named a Certified Age Friendly Employer™ ("CAFE"), recognizing our commitment to retention and recruiting of age 50+ workers.

You can read more about the many ways we are continuing to care for our people, our communities and the planet in our 2022 Corporate Social Responsibility Report on our website at **https://www.pennentertainment.com/corp/esg-resources**. Our most recently filed EEO-1 survey data is available at **https://www.pennentertainment.com/Corporate-Responsibility/People**. This information is provided for convenience only and the 2022 Corporate Social Responsibility Report, the EEO-1 survey data, and the website references throughout this Proxy Statement are not incorporated by reference in, and do not form a part of, this Proxy Statement.

PROXY STATEMENT SUMMARY

Executive Compensation

Significant portion of our target executive compensation is at risk. In 2022, 89% of our Chief Executive Officer's total target compensation and 77% (on average) of our other Named Executive Officers' total target compensation was variable and at risk, subject to achievement of pre-set performance goals or tied to our long-term stock price performance.

* *The percentage ratios do not add up to 100% due to rounding.*

Differentiated metrics support progress toward our strategic priorities. In response to shareholder feedback, for our 2022 incentives we adopted differentiated financial performance metrics for our short- and long-term incentive programs. These differentiated performance metrics are focused on our financial priorities and reflect key operational growth metrics that are important to PENN and its shareholders.

STI Plan Performance Metric	Weighting	Alignment with Short-Term Value Creation
Adjusted EBITDAR	100%	Adjusted EBITDAR is an objective and quantifiable measurement for the Company's financial performance, as well as for comparing the Company's performance to others within the gaming industry, and is a key metric to incentivize management to enhance shareholder value through financial performance.

PROXY STATEMENT SUMMARY

LTI Performance Metric	Weighting	Alignment with Long-Term Value Creation
Omni-channel metrics focused on growing the PENN Play database and driving retail and online cross-sell	50%	Collection of quantitative omni-channel metrics designed to drive patrons across our product offerings, thereby generating greater brand loyalty and increased spend-per-customer. Focused on incentivizing growth in the PENN Play database and cross-sell between our various product offerings, including retail, online sports betting and iCasino.
iCasino market share	30%	Designed to incentivize growth of iCasino market share in U.S. jurisdictions.
Ontario launch and market share capture for Online Sports Book and iCasino	10%	Designed to promote the successful launch of theScore Bet (in Ontario, a large and highly competitive market) on PENN's proprietary PAM platform, an important milestone for our Interactive segment.
ESG and DE&I	10%	Designed to incentivize ESG and DE&I awareness and to promote career development and leadership opportunities for a diverse base of candidates across the Company.

Incentive program payouts are aligned with performance. Our short- and long-term incentive payouts were aligned with our robust 2022 financial and operational performance results, which were achieved despite ongoing macroeconomic headwinds and market volatility. Our leadership team remained focused on executing our omni-channel, tech-forward strategy that drove significant PENN Play database growth and deepened customer engagement across our product verticals. We generated revenues of $6.4 billion and Adjusted EBITDAR of $1.9 billion for the year, while also achieving Q4 2022 profitability for our Interactive segment against a highly competitive landscape. These results demonstrate the alignment of management incentives with long-term value creation and position the Company for success in 2023 and beyond.

We delivered financial and operational results in 2022. Despite ongoing macroeconomic headwinds, our best-in-class operating team delivered 451 basis points of Adjusted EBITDAR margin improvement at our retail operations versus 2019 (the last full year of operations prior to Covid-19), while also achieving the second highest Adjusted EBITDAR in the Company's history. Further, we took significant steps to improve our balance sheet, ending the year with one of the lowest lease-adjusted net leverage ratios in the Company's history. We also continued to drive shareholder value through the expansion of our PENN Play database, the continued deployment of our 3C's Technology, the announcement of four exciting new retail growth projects at properties in Illinois, Ohio, and Nevada, and the launch of online sports betting in four jurisdictions and iCasino in one. Finally, our Interactive segment reached a major milestone when theScore Bet launched in Ontario using PENN's PAM platform and subsequently migrated to the full PENN Online Platform.

PROXY STATEMENT SUMMARY

Executive Compensation Summary

The table below summarizes the total regular annual compensation awarded to each named executive officer with respect to 2022. See pages 48 through 78 of this Proxy Statement for further detail.

	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Jay Snowden Chief Executive Officer and President	1,800,000	—	2,146,326	4,814,999	4,696,343	617,946	**14,075,614**
Felicia Hendrix Executive Vice President and Chief Financial Officer	712,500	—	405,381	857,987	746,197	91,433	**2,813,498**
Todd George Executive Vice President, Operations	854,962	—	914,511	960,475	923,853	108,325	**3,762,126**
Chris Rogers Executive Vice President, Chief Strategy Officer	671,202	—	464,331	810,051	704,504	89,843	**2,739,931**

PROPOSAL 1: ELECTION OF CLASS III DIRECTORS

Introduction

Our Board of Directors currently consists of nine members: David Handler (Chair), Vimla Black-Gupta, John Jacquemin, Marla Kaplowitz, Ronald Naples, Saul Reibstein, Jane Scaccetti, Barbara Shattuck Kohn and Jay Snowden. The directors are organized into three classes, with each class elected to serve a three-year term.

At the Annual Meeting, shareholders will be asked to elect each of the four Class III directors to serve until the annual meeting of shareholders of the Company to be held in 2026 and until their respective successors are duly elected and qualified. Our Board of Directors, upon the recommendation of our Nominating and Corporate Governance Committee, has nominated Vimla Black-Gupta, Marla Kaplowitz, Jane Scaccetti, and Jay Snowden to serve as the Class III directors. Each of the nominated persons currently serves as a member of the Board of Directors and has consented to being named in this Proxy Statement and to serve as a Class III director, if elected.

We believe that each of our Class III director nominees has the specific experience, qualifications, attributes, and skills necessary to serve as an effective director on our Board of Directors. A description of our process for identifying and evaluating director nominees, as well as our criteria for membership on our Board of Directors, is set forth under the heading "Corporate Governance Matters—Director Candidate Qualification and Selection Process."

Vote Required

Under our bylaws, the four nominees for Class III director receiving the highest number of votes cast will be elected. For purposes of the election of directors, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" EACH CLASS III DIRECTOR NOMINEE:

(I) Vimla Black-Gupta; (II) Marla Kaplowitz; (III) Jane Scaccetti; and (IV) Jay Snowden

Class III Director Nominees

Below is the biographical information about the director nominees, including the specific experience, qualifications, attributes and skills that led to our Board of Directors and Nominating and Corporate Governance Committee to conclude that each should be nominated to serve as a director.

Vimla Black-Gupta

Class III Director (Independent)
Age: 53
Director Since: 2021

Committees:
- Compensation
- Compliance

Business Experience:

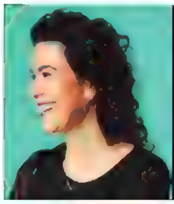
- Co-Founder and CEO (2022 – present), Co-Founder and President (2021 – 2022), OURSELF, a skin care biotech startup
- Global Chief Marketing Officer (2017 – 2019), Equinox Fitness Clubs
- Senior Vice President of Global Marketing, Bobbi Brown Cosmetics (2013 – 2017), Vice President Global Marketing Idea Bank (2008 – 2013), Estee Lauder
- Held executive global marketing leadership roles for several brands, Procter and Gamble (1997 – 2007)

Education:

- BA, Duke University
- MBA, Marketing, Northwestern University's Kellogg School of Management

Qualifications:

Ms. Black-Gupta brings extensive marketing, strategy, media, and digital transformation experience to the Board acquired over her more than 25-year career holding executive global marketing roles, including as Global Chief Marketing Officer at Equinox, where she led the enterprise-wide marketing strategy development and execution on behalf of its growing portfolio of 100 global fitness club locations and the Equinox Hotel to elevate its positioning from a fitness company to a lifestyle brand by capitalizing on significant expansion opportunities across hospitality and travel, as well as restructured the marketing organization to ensure consumer focus and digital transformation and upskilled talent including building digital/CRM capabilities, and at Estee Lauder, where as Senior Vice President of Global Marketing of Bobbi Brown Cosmetics, she managed, led and created the entire product, consumer and digital marketing strategy for the $1B brand in over 150 countries, including revitalizing and expanding its social media footprint, Ms. Black-Gupta's experience is invaluable in the context of the Company's strategy of organically cross-selling entertainment, sports content, and casino gaming experiences.



Marla Kaplowitz

Class III Director (Independent)

Age: 57

Director Since: 2020

Committees:

- Compensation
- Nominating and Corporate Governance, Chair

Business Experience:

- President and Chief Executive Officer (2017 – present), American Association of Advertising Agencies (4A's), a trade association serving more than 600 member agencies throughout the United States
- Chief Executive Officer of North America (2011 – 2017), MEC Global (now Wavemaker Global), a global media agency
- Spent 12 years at MediaVest, where she led Procter & Gamble's communications planning for North America and worked with brands across sectors including beauty, restaurants and finance
- She began her career at DMB&B and later joined Ammirati Puris Lintas, where she managed several leading accounts including entertainment and consumer packaged goods brands

Education:

- BA, Sociology, UC Santa Barbara

Qualifications:

Ms. Kaplowitz brings significant marketing, media, and digital transformation expertise to the Board gained over her more than 30 years in marketing and communications roles, where she advised companies across sectors on their related strategies, as well as in her current position as President and CEO of American Association of Advertising Agencies (4A's) and serving on the board of the Ad Council, and the BBB National Programs Board, a self-regulatory organization. She also brings important talent management expertise she gained as CEO of MEC North America, where she led MEC to become a major disruptor in the area of talent management with its innovative approaches to attracting, nurturing and retaining the industry's top talent, which was recognized with awards for the company. Ms. Kaplowitz's experience and expertise are essential in the context of the Company's business strategy, as well as the Board's oversight of the company's strategies to attract and retain talent.

Jane Scaccetti

Class III Director (Independent)

Age: 68

Director Since: 2015

Committees:

- Audit, Chair
- Compliance

Business Experience:

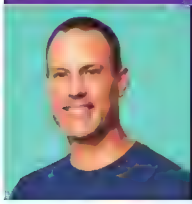
- Of Counsel (2022 – present), Armanino LLP, the successor company of Drucker & Scaccetti, P.C.
- Principal (1990 – 2021), Chief Executive Officer (2013 – 2021), Drucker & Scaccetti, P.C., a public accounting and business advisory firm
- Partner (1977 – 1990), Laventhol & Horwath, an international accounting firm

Education:

- BBA, Accounting, Temple University's Fox School of Business
- MA, Taxation, Villanova Law School

Qualifications:

Ms. Scaccetti brings management and financial expertise to the Board acquired during her almost 45-year career as a practicing CPA, including at Drucker & Scaccetti, which she helped found and where she provided counsel on a wide range of complex tax planning and business strategy matters, and at Laventhol & Horwath, where she became the first woman to be named tax partner at an international firm in Philadelphia, which allows her to bring financial sophistication and expertise to the Board. She also brings extensive corporate governance experience she gained during her former service on the board of directors of public companies Myers Industries, Inc., where she was also audit committee chair, and The Pep Boys – Manny, Moe & Jack, and as a trustee of Temple University and Temple University Health System.



Jay Snowden

Class III Director (Executive Director)
Age: 47
Director Since: 2019

Committees:
- None

Business Experience:

- Chief Executive Officer and President (2020 – present), President and Chief Operating Officer (2017 – 2020), Chief Operating Officer (2014 – 2016), Senior Vice President-Regional Operations (2011 – 2013), PENN Entertainment
- Senior Vice President and General Manager, Caesars, Showboat, and Harrah's Resorts Atlantic City (2005 – 2011), held various leadership positions in St. Louis, Missouri; San Diego, California; and Las Vegas, Nevada (1998 – 2005), Caesars Entertainment Corporation

Education

- BA, Harvard University
- MBA, Washington University in St. Louis

Qualifications:

Mr. Snowden is the primary architect of PENN Entertainment's transformation from a regional casino operator into a leading omni-channel provider of integrated entertainment, sports content and casino gaming experiences. Since assuming the role of CEO and President in January 2020, Mr. Snowden has led PENN's expansion into sports media, entertainment and technology, including its acquisition of theScore and Barstool, and the development of the Company's best-in-class "3C's" cashless, cardless and contactless technology. Prior to joining PENN, he spent 12 years with Caesars Entertainment overseeing operations at several regional and destination markets. In addition, he assisted in the design and development of Harrah's Rincon in San Diego, and as Senior Vice President and General Manager in Atlantic City, he oversaw construction of over $100 million in expansion projects. Mr. Snowden's more than 25-year successful track record in the highly-regulated and rapidly evolving gaming and sports betting industry, as well as in the hospitality and entertainment sectors allows him to bring to the Board diverse perspectives and proven experience related to the strategic direction of the Company and the gaming industry at large.

Continuing Directors

David Handler

Class I Director (Independent)
Age: 58
Board Chair Since: 2019
Director Since: 1994

Committees:
- None

Business Experience:

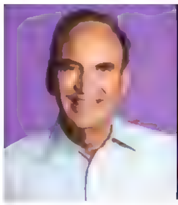
- Co-Founder and Partner (2022 – present), Tidal Partners, a M&A strategic advisory firm focused on the technology industry
- Partner and Founder of the Technology Advisory Practice (2008 – 2022), Centerview Partners, an investment banking advisory firm
- Managing Director and Co-Head US Technology Investment Banking (2006 – 2008), UBS Investment Bank

Education

- BA, Marketing, NYU Stern School of Business
- MBA, Finance, NYU Stern School of Business

Qualifications:

Mr. Handler has considerable investment banking and capital markets experience obtained over his more than 25-year career in investment banking and strategic advisory, where he has represented clients on many of the largest and most transformative transactions in the technology sector. This has resulted in him acquiring considerable capital markets experience, with a focus on mergers and acquisitions and other significant transactions, as well as long-term exposure to the gaming industry. He also brings governance experience he has gained in his prior role as Director of Gaming and Leisure Properties, Inc., as well as his current and prior roles on several non-profit boards. In addition, Mr. Handler currently serves on the Executive Board of NYU Stern School of business. Mr. Handler's background allows him to bring invaluable expertise to the Company, particularly in connection with evaluating potential acquisitions, capital markets, digital transformation and governance opportunities.



John Jacquemin

Class I Director (Independent)
Age: 76
Director Since: 1995

Committees:
- Nominating and Corporate Governance

Business Experience:

- Founder and President (1982 – present), Mooring Financial Corporation, a group of financial services companies specializing in the purchase and administration of distressed commercial loan portfolios

Education

- BA, General Arts & Sciences, Pennsylvania State University
- MBA, Finance, The Tuck School of Business Administration at Dartmouth College

Qualifications:

Mr. Jacquemin brings significant expertise in finance acquired though his work with banks, venture capital funds, private equity funds and other lenders, in restructuring distressed commercial loans. The nature of these investments requires a sophisticated understanding of financial and real estate market dynamics, and expertise in asset valuation. With his long-term experience in the gaming industry and expertise in identifying transformative growth opportunities, Mr. Jacquemin makes invaluable contributions to the Board's oversight of the Company's expansive portfolio of retail gaming and racing properties and its omni-channel growth strategy.

Barbara Shattuck Kohn

Class II Director (Independent)
Age: 72
Lead Independent Director Since: 2017
Director Since: 2004

Committees:
- Audit
- Compensation, Chair

Business Experience:

- Principal (2012 – 2018), Hammond Hanlon Camp LLC, a strategic advisory and investment banking firm
- Principal, Founder and President (1993 – 2012 when acquired by Morgan Keegan, subsequently acquired by Raymond James), Shattuck Hammond Partners, Inc., an investment banking firm
- Principal and Co-Founder (1983 – 1993), Cain Brothers, Shattuck & Company, a health care financial advisory firm that subsequently became Shattuck Hammond Partners
- Vice President and Manager of Healthcare Investment Banking Group (1976 – 1983), Goldman, Sachs & Co.

Education

- BA, Environmental Studies, Connecticut College

Other Current Public Company Boards Fluent, Inc., an advertising and marketing services company (since 2019)

Qualifications:

Ms. Shattuck Kohn brings to the Board of Directors substantial experience in investment banking, capital markets and project finance acquired during her over 35-year career in the financial sector. She also brings considerable governance experience gained during her current service as a director on the boards of Fluent and Emblem Health, one of the nation's largest nonprofit health plans, as well as her past service as a director of Computer Task Group, Sunlife Insurance Company of New York and Tufts Health Plan. Ms. Shattuck Kohn's financial background allows her to bring to the Board the expertise necessary to evaluate potential acquisition and financing opportunities for the Company.

Ronald Naples

Class II Director (Independent)
Age: 77
Director Since: 2013

Committees:
- Nominating and Corporate Governance
- Compliance

Business Experience:

- Board Chair, Pennsylvania Stimulus Oversight Commission and Chief Accountability Officer, Commonwealth of Pennsylvania (2009 – 2011)
- Board Chair (1997 – 2009), Chief Executive Officer (1995 – 2008), Quaker Chemical Corporation, a public specialty chemical company serving the metalworking and manufacturing industries worldwide
- Board Chair and Chief Executive Officer (1981 – 1995), Hunt Manufacturing Company, a publicly held consumer and commercial products business with retail distribution
- Board Chair, Federal Reserve Bank of Philadelphia (2001 – 2005)
- Executive Director, Presidential Task Force on energy problems (1975 – 1976)
- White House Fellow (1974 – 1975) and served on the White House staff in the Ford Administration as Assistant to the Counselor to the President for Economic Affairs and as a Special Assistant to the Head of the Federal Energy Administration
- Had a distinguished career in the U.S. Army, including combat service, before completing his service at the rank of Captain in 1971

Education

- BS, United States Military Academy at West Point
- MA, Fletcher School of Law and Diplomacy at Tufts University
- MBA, Harvard Business School

Qualifications:

Mr. Naples possesses significant business experience in global marketing, management and corporate development as a CEO and director of Quaker Chemical and Hunt Manufacturing, both large, publicly traded corporations, and significant government and regulatory experience gained as Chair of the Pennsylvania Stimulus Oversight Commission, Chief Accountability Officer for the Commonwealth of Pennsylvania and as Chair of the Federal Reserve Bank of Philadelphia. He also brings sustainability expertise he obtained while serving in the White House as Special Assistant to the Head of the Federal Energy Administration, as well as while serving as Executive Director of a Presidential Task Force on energy problems, as well as governance experience acquired during his previous service on the board of Glatfelter Corporation, a publicly-held global supplier of engineered materials and his current roles as a director of Glenmede Trust Company and the Philadelphia Contributionship and a Trustee on the board of the Foreign Policy Research Institute-Philadelphia, Thomas Jefferson University and Thomas Jefferson Health, and University of the Arts. Mr. Naples' distinguished military career and regulated-company experience are invaluable in the context of his service on the Compliance Committee.

Saul Reibstein

Class II Director (Independent)

Age: 74

Director Since: 2018 *(and previously a director from 2011 to 2014)*

Committees:

- Audit
- Compensation

Business Experience:

- Executive Advisor (2017), Executive Vice President, Chief Financial Officer and Treasurer (2014 – 2016), Senior Vice President and Chief Financial Officer (2013 – 2014), PENN Entertainment
- Member of the senior management team holding a number of positions including, most recently, Executive Managing Director and Head of New York office, CBIZ, Inc., a New York Stock Exchange-listed professional services company (2004 – 2013)
- Partner (1993 – 2004), BDO Seidman, a national accounting services firm

Education

- BBA, Accounting and Finance, Fox School of Business at Temple University

Other Current Public Company Boards: Vishay Precision Group, Inc., a sensor manufacturer (since 2010)

Qualifications:

Mr. Reibstein brings to our Board and our Audit and Compensation Committees extensive familiarity with the Company and the gaming industry, having previously served as the Company's Executive Vice President, Chief Financial Officer and Treasurer. He also brings accounting, finance, risk management and strategic management expertise acquired during his over 40 years in the public accounting industry as licensed CPA advising both public and private companies, including in the gaming industry, and during his continued service as Chairman of Vishay Precision Group and its Audit Committee.

CORPORATE GOVERNANCE MATTERS

Our commitment to corporate governance is integral to our business and reflects not only regulatory requirements, the Nasdaq Rules and broadly recognized governance practices, but also effective leadership and oversight by our senior management team and Board. To maximize shareholder value, the Board strives to maintain a governance environment where: (i) entrepreneurship and prudent risk taking are encouraged, with a focus on both long- and short-term value creation; (ii) shareholder perspectives are understood and long-term relationships with shareholders are fostered through frequent, candid and comprehensive engagement with and disclosure to the Company's shareholders and the investment community; (iii) integrity and accountability are integrated into the Company's management philosophy and operations; and (iv) the Company is able to attract, develop and retain industry-leading executive talent to manage the Company's increasingly complex operations.

The Board regularly evaluates the governance environment to enable the Company to respond appropriately to changes, practices and market conditions, as well as suggestions from shareholders and other stakeholders, all in a manner that we believe will continue the Company's long-term record of increasing shareholder value. Notable features of our corporate governance framework include the following:

WHAT WE DO	WHAT WE DON'T DO
√ **89% Independent Directors**. Eight of our nine directors standing for election have been determined by us to be "independent" as defined by the Nasdaq Rules.	X **No Poison Pill or Shareholder Rights Plan**. We do not have a "poison pill" or shareholder rights plan.
√ **Independent Chair**. Our Board Chair is an independent director.	X **No Significant Related Party Transactions**. We do not currently have any significant related party transactions. In addition, no immediate family relationships exist between any of our directors or executive officers and any of our other directors or executive officers.
√ **Regular Board and Committee Self-Evaluations**. The Board of Directors and each Committee conduct a comprehensive annual self-evaluation process.	X **No Option Trading or Short Selling of Our Securities**. Our insider trading policy prohibits our directors and officers from trading in options, warrants, puts and calls or similar instruments on Company securities or sell Company securities "short".
√ **Systemic Risk Oversight by Board and Committees**. Our Board has overall responsibility for risk oversight, while each of our Audit, Compensation, Nominating and Corporate Governance, and Compliance Committees monitor and address risks within the scope of their expertise or charter.	X **No Hedging of Our Securities**. Our insider trading policy prohibits our directors and officers from engaging in any hedging or monetization transactions involving our securities.
√ **Entirely Independent Committees**. All the members of our Audit, Compensation, and Nominating and Corporate Governance Committees are independent.	X **No Pledging of Our Securities**. Our insider trading policy prohibits our directors and officers from purchasing our securities on margin or pledging our securities as collateral for margin or other loans.
√ **Audit Committee Financial Experts**. All the members of our Audit Committee qualify as an "audit committee financial expert" as defined by the SEC.	X **No Single-Trigger Change-in-Control Severance Rights**. Acceleration of equity vesting is provided only upon a combination of a CIC and a qualified termination.
√ **Stock Ownership Guidelines for Directors**. Our stock ownership guidelines require that each of our directors accumulate a holding of shares having a value of 5x the value of the annual retainer amount.	
√ **Stock Ownership Guidelines for Executives**. Our stock ownership guidelines require our CEO to accumulate a holding of shares equal to 6x his annual base salary, and our other executives to accumulate a holding of shares equal to 3x their respective annual base salaries.	
√ **Shareholder Outreach**. The Company has a long-standing practice of frequent communication and discussion with shareholders, and formally expanded this program to include off-cycle outreach in 2022.	
√ **Clawback Policy**. The Company's Clawback Policy mitigates compensation-related risk, including recoupment provisions covering clawbacks and forfeitures, and will be timely updated to comply with new Nasdaq Rule 5608.	

CORPORATE GOVERNANCE MATTERS

Corporate Governance Highlights

We are committed to maintaining high standards of corporate governance to promote long-term value creation, transparency and accountability to our shareholders. Proactively and in response to our shareholder priorities, we have adopted several governance and disclosure enhancements.

2022

- Updated the Nominating and Corporate Governance Committee Charter to require an annual review of each director's independence to ensure recommendations are made to the board based on annual findings
- Diversified performance metrics for the short- and long-term compensation plans
- Formalized shareholder engagement effort into an annual shareholder engagement program overseen by the Nominating & Corporate Governance Committee
- Enhanced ESG practices and reporting:
  - Published EEO-1 data and first SASB report
  - Finalized Scope 1 and 2 GHG emissions assessment
  - Established company-wide ESG and DE&I training for all employees
  - PENN Interactive received the RG Check iGaming Accreditation from the Responsible Gambling Council ("RGC"), becoming the first U.S. operator to voluntarily undergo what is widely regarded as one of the most comprehensive responsible gambling accreditation programs in the world

2021

- Appointed Ms. Black-Gupta, a highly-qualified independent director with extensive marketing, strategy, media, and digital transformation experience, to support our strategy of offering integrated entertainment, sports content, and casino gaming experiences
- Amended stock ownership guidelines for our executive officers to increase holding requirements from 5x to 6x base salary for the CEO and to align all other executive officers at 3x base salary
- Refreshed the composition of the Board's Audit, Compensation, and Nominating and Corporate Governance Committees and appointed a new chair of the Nominating and Corporate Governance Committee – all committees have separate, independent Committee chairs
- The chairs of Audit, Compensation and Nominating and Corporate Governance Committee, and our Lead Independent Director, are all female

2020

- Appointed Ms. Kaplowitz, a highly-qualified independent director with significant marketing, media, and digital transformation expertise, to support our strategy of offering integrated entertainment, sports content, and casino gaming experiences
- Added ESG oversight to the responsibilities of the Nominating and Corporate Governance Committee, which includes environmental and sustainability initiatives, social responsibility, the Company's culture, talent strategy, and diversity, equity, and inclusion initiatives
- Formed the PENN Entertainment ESG Committee, which reports directly to our CEO, as well as the Nominating and Corporate Governance Committee and the Board
- Formed the PENN Entertainment Diversity Committee, under the executive sponsorship of our CEO, comprised of senior management as well as team members around the country and at varying levels in the organization

CORPORATE GOVERNANCE MATTERS

Corporate Governance Documents

Corporate Governance Guidelines	The Board has adopted and regularly reviews Corporate Governance Guidelines (the "Corporate Governance Guidelines") that are intended to provide a structure which permits our Board and management to effectively pursue the Company's objectives for the benefit of its shareholders and other constituencies. The Corporate Governance Guidelines include policies and procedures relating to, among other items, the role, structure and composition of the Board; Board procedures and leadership; risk oversight; use of outside consultants; and conflicts of interest. The Board and the Nominating and Corporate Governance Committee regularly consider the efficacy of these policies.
Code of Business Conduct	The Board has adopted and regularly reviews the Company's Code of Business Conduct (the "Code of Conduct"), which applies to all directors and employees of the Company, including its principal executive officer, principal financial officer and principal accounting officer. The Code of Conduct is designed to, among other things, promote ethical behavior, deter wrongdoing, address potential conflicts of interest, and encourage both compliance with applicable laws and full and accurate reporting in the Company's filings with the SEC. The Code of Conduct also provides for a 24-hour hotline that any employee, patron, vendor or other third party can use to report, anonymously if they so choose, any suspected fraud, financial impropriety or other alleged wrongdoing. These reports are promptly investigated and receive the highest level of management attention, with particular focus from the Company's Chief Compliance Officer; Vice President, Internal Audit; Chief Legal Officer, and Chief Human Resources Officer, as appropriate. Subsequently, senior management provides investigation summaries to the Compliance Committee and the Audit Committee.

Where to Find our Corporate Governance Documents

You are encouraged to visit our website at **https://www.pennentertainment.com/investors/corporate-governance** to view or obtain copies of our Corporate Governance Guidelines, committee charters and Code of Business Conduct. The information found on, or accessible through, our website is not incorporated into, and does not form a part of, this Proxy Statement or any other report or document we file with or furnish to the SEC. You may also obtain, free of charge, a copy of our Corporate Governance Guidelines, committee charters and Code of Business Conduct by directing your request in writing to Secretary, PENN Entertainment, Inc., 825 Berkshire Boulevard, Wyomissing, PA 19610. Additional information relating to the corporate governance of our Company is also set forth below and included in other sections of this Proxy Statement.

Director Independence

The Board has determined that all the directors, other than Mr. Snowden, are independent under the Nasdaq Rules. Notably, the Board's Audit Committee, Compensation Committee and the Nominating and Corporate Governance Committee are comprised exclusively of independent directors. The independent Board directors typically meet several times per year in executive session.

Board and Committee Evaluation Process

Board and Committee evaluations play a critical role in ensuring the effective functioning of our Board of Directors. It is important to take stock of Board, Committee and director performance and to solicit and act upon feedback received from each member of our Board of Directors. To this end, the Board of Directors and each Committee conduct a comprehensive annual self-evaluation process overseen by the Nominating and Corporate Governance Committee.

Board and Committee Evaluations: A Multi-Step Process

Questionnaires:
The Nominating and Corporate Governance Committee reviews and approves written questionnaires focusing on the performance of the Board and each of its Committees. Each director completes his or her applicable written questionnaire(s).

Discussion of Results:
The chair of the Nominating and Corporate Governance Committee reviews the responses with the full Board and each Committee Chair. Each Committee Chair then reviews the Committee member responses with their respective Committee.

Use of Feedback:
The Nominating and Corporate Governance Committee makes recommendations to the Board as may be appropriate following consideration of the results of each evaluation. The Board and each of its Committees develop plans to take actions based on the results, as appropriate.

Ongoing Feedback Incorporated:
Directors provide ongoing, real-time feedback outside of the regular evaluation process.

Director Candidate Qualification and Selection Process

The Nominating and Corporate Governance Committee considers candidates for Board membership suggested by, among others, its members, other Board members and management. The Nominating and Corporate Governance Committee will also consider recommendations of nominees for directors by shareholders (for information relating to the nominations of directors by our shareholders, please see "Director Nominations by Shareholders" on page 98). In addition, under its charter, the Nominating and Corporate Governance Committee is authorized to engage a search firm to assist in the identification of director candidates, to approve the search firm fees (which are paid by the Company) and other retention terms, and to obtain advice and assistance from internal and external legal, accounting or other advisors. In selecting nominees for director, the Nominating and Corporate Governance Committee considers a number of factors, including, but not limited to:

- a candidate's ability to effectively represent the interests of PENN stakeholders;
- whether a candidate has demonstrated business and industry experience that is relevant to the Company, including recent experience at the senior management level (preferably as chief executive officer or a similar position);
- a candidate's ability to meet the suitability standards set forth in the Company's bylaws, as well as the rigorous suitability, investigation and filing requirements of the relevant regulatory agencies in each of the numerous jurisdictions where the Company operates;
- a candidate's background and diversity of experience, skill set, independence from management and freedom from potential conflicts of interest with the Company;
- a candidate's financial literacy, including whether the candidate can meet the Audit Committee membership standards set forth in the Nasdaq Rules and SEC rules;
- whether a candidate is recognized for his or her reputation, integrity, judgment, skill, leadership ability, honesty and moral values;
- a candidate's ability to work constructively with the Company's management and other directors; and
- a candidate's capacity, taking into consideration the number of other boards on which the candidate serves, to dedicate sufficient time and energy to his or her Board and Committee duties.

During the candidate review process, the Nominating and Corporate Governance Committee and its delegates conduct interviews with the potential nominee. In addition, the Nominating and Corporate Governance Committee will also request that the candidate submit to an investigation overseen by the Chief Compliance Officer to evaluate whether the candidate is suitable to serve on the Board of a highly regulated, multi-jurisdictional company subject to gaming regulatory oversight. A successful candidate will also be required to submit to applicable gaming regulatory suitability investigations, which include providing detailed financial and personal history information customarily requested by the Company's gaming regulators.

Board Leadership

David Handler, who is an independent director, has served as our Board Chair since June 12, 2019. Mr. Handler joined our Board in 1994 and is a partner at Tidal Partners, an independent financial advisory and private equity firm. The Board believes that Mr. Handler is best suited to serve as our Board Chair because of his considerable investment banking and capital markets experience, including a focus on mergers and acquisitions and other significant transactions (including many in the technology space), which complements his long-term exposure to the gaming industry. Mr. Handler's background has been an invaluable asset to the Company over the years, particularly in connection with evaluating potential acquisitions and financing opportunities.

The roles of our Board Chair and Chief Executive Officer have been split for over seven years. Mr. Snowden, our Chief Executive Officer and President, is responsible for the general management and operation of the business, providing guidance and oversight to senior management and formulating the strategic direction of the Company. The Board Chair is responsible for the content, quality and timeliness of information provided to our Board and consults with our Board and Chief Executive Officer and President regarding oversight of our business affairs.

In addition, the Board has appointed Barbara Shattuck Kohn as its Lead Independent Director to, among other things, facilitate communication between management and the independent directors. The responsibilities of the Lead Independent Director include:

- consulting with the Board Chair regarding the information, agendas and schedules of Board and Board Committee meetings, including the ability to add items to the agendas for any meeting;
- scheduling, setting the agenda for and serving as chair of meetings of independent directors;
- serving as principal liaison between the independent directors and the Board Chair and between the independent directors and senior management;
- presiding at all meetings of the Board at which the Board Chair is not present, including executive sessions of the independent directors; and
- in the event of the death, incapacity, resignation or removal of the Board Chair, serving as the acting Board Chair until a new Board Chair is selected.

2022 Board and Committee Meetings

Each member of the Board contributes a substantial amount of time and effort to serve as a Board and Committee member. During 2022:

- the Board held four (4) formal meetings and seven (7) special telephonic meetings;
- the Audit Committee held seven (7) formal meetings;
- the Compensation Committee held five (5) formal meetings;
- the Nominating and Corporate Governance Committee held three (3) formal meetings; and
- the Compliance Committee held four (4) formal meetings and one (1) special telephonic meeting.

In addition to the Board and Committee meetings set forth above, our Board of Directors and its Committees acted by written consent from time to time as appropriate. Further, Board members are encouraged to, and regularly do, engage in informal discussions with each other and members of management, and they are provided periodic management reports and updates. The independent directors meet periodically in executive session.

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During the year ended December 31, 2022, except as noted below, each of the Company's directors attended 100%[1] of the meetings of the Board and Committees of the Board of which he or she was a member. The Company encourages directors to attend shareholder meetings. Each of the Company's directors attended the 2022 Annual Meeting of Shareholders.

Committees of the Board

The Board maintains four standing committees: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Compliance Committee. The specific duties and operation of each committee are described in more detail below. The Board has determined that each director serving on the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee is independent under the Nasdaq Rules and the applicable rules and regulations of the SEC. The Compliance Committee also includes an independent non-director subject matter expert. Each of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee operates under a written charter adopted by the Board of Directors that is reviewed annually and is available at **https://www.pennentertainment.com/Investors/Corporate-Governance**.

Committee Membership

Audit Committee **Held seven (7) meetings in 2022**	**Jane Scaccetti (Chair)** **Saul Reibstein** **Barbara Shattuck Kohn**

In addition to being independent as noted above, the Board has determined that each member of the Audit Committee also meets the financial literacy requirements under the Nasdaq Rules and is an "audit committee financial expert" within the meaning of the rules and regulations of the SEC. In addition, Ms. Scaccetti has practiced as a certified public accountant since 1977 and has significant experience as an Audit Committee member on several public-company boards, which makes her particularly well qualified to serve as Chair of the Audit Committee.

The principal functions of the Audit Committee are to:

- serve as an independent and objective party to monitor the Company's financial reporting process and internal control system;
- review and appraise the audit efforts of the Company's independent auditors and internal auditors and monitor their independence; and
- maintain free and open communication with and among the independent auditors, the internal auditors, and the financial and senior management of the Company and the Board.

The Audit Committee is also responsible for reviewing and pre-approving all conflicts of interest and related-person transactions involving the Board members or the Company's executive officers. In discharging its oversight role, the Audit Committee is empowered to investigate any matter brought to its attention and any other matters that the Audit Committee believes should be investigated. The Audit Committee may at any time engage, at the expense of the Company, independent counsel or other advisors, as it deems necessary to carry out its duties.

Compensation Committee **Held five (5) meetings in 2022**	**Barbara Shattuck Kohn (Chair)** **Vimla Black-Gupta** **Marla Kaplowitz Saul Reibstein**

In addition to being independent as noted above, each member of the Compensation Committee is also a non-employee director, as defined under Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and an outside director, as defined under Section 162(m) of the Internal Revenue Code of 1986, as amended.

[1] *Ms. Scaccetti was unable to attend one meeting of the Compliance Committee, and Ms. Black-Gupta was unable to attend one special meeting of the Board. Mses. Scaccetti and Black-Gupta were present at all other meetings of the Board and Committees of the Board of which they were members during 2022.*

The Compensation Committee's authority and responsibilities include:

- evaluating the annual performance of the CEO and recommending to the Board for approval all CEO compensation and employment agreements and separation agreements;
- evaluating and approving for the other executive officers (other than the CEO) salary, annual short-term incentive opportunities, long-term equity-based incentives and other benefits;
- reviewing and approving employment agreements and separation agreements for the other executive officers (other than the CEO);
- monitoring trends and best practices regarding executive compensation;
- reviewing and approving awards under the Company's 2022 Long-Term Compensation Plan ("2022 Plan") and annual short-term incentive compensation plan for the other executive officers (other than the CEO), and reviewing and recommending that the Board approve of awards under the 2022 Plan and annual short-term incentive compensation plan for the CEO, including the performance criteria, goals and objectives provided for in such plans;
- reviewing executive compensation programs annually to determine whether they are properly coordinated and are achieving their intended purposes;
- periodically reviewing the policies for administration of the Company's executive compensation programs;
- assessing the Company's management and leadership succession planning;
- approving incentive awards that the CEO may grant to employees other than executive officers;
- formulating and administering the Company's stock ownership guidelines;
- establishing linkages between the Company's ESG initiatives and executive compensation;
- recommending director compensation to the Board; and
- administering and interpreting the Company's long-term incentive compensation program and 2022 Plan.

The CEO provides the Compensation Committee performance assessments and compensation recommendations for each executive officer of the Company (other than himself). The Compensation Committee considers the CEO's recommendations with the assistance of the compensation consultant and sets the compensation of those executive officers based on its deliberations. The Compensation Committee regularly holds meetings in executive session regarding executive performance and compensation, including establishing the CEO's compensation.

Nominating and Corporate Governance Committee **Held three (3) meetings in 2022**	**Marla Kaplowitz (Chair)** **John Jacquemin** **Ronald Naples**

The Nominating and Corporate Governance Committee is responsible for:

- overseeing the Company's ESG initiatives, including corporate social responsibility, DE&I programs and the Company's culture, talent strategy, and diversity, equity, and talent acquisition strategies;
- annually reviewing the Company's corporate governance principles and guidelines;
- overseeing periodic evaluations of the Board and its Committees and making recommendations to the Board as may be appropriate considering the results of such evaluations;
- reviewing and recommending the appropriate structure, composition and size of the Board and its Committees;
- considering the Board's leadership structure, including the separation of the Board Chair and CEO roles and the appointment of a Lead Independent Director;
- identifying and recommending, for the Board's selection, nominees for election to the Board, including those candidates recommended by shareholders in accordance with the Company's bylaws;

CORPORATE GOVERNANCE MATTERS

- reviewing and making recommendations on the eligibility criteria for individual Board and Committee membership, including the range of skills and expertise, diversity and independence that should be represented on the Board and its Committees; and
- overseeing the Company's orientation programs for new directors and continuing education programs for directors, as may be necessary and appropriate.

Compliance Committee **Held five (5) meetings in 2022**	**Vimla Black-Gupta** **Ronald Naples** **Jane Scaccetti**

The Compliance Committee is chaired by an independent non-director member, Thomas N. Auriemma and comprised of three independent members of the Board. Mr. Auriemma is the Company's former Vice President, Chief Compliance Officer and former Director of the Division of Gaming Enforcement in New Jersey, with over 30 years of experience as a gaming regulator in the State of New Jersey.

The Compliance Committee serves as an independent party and is responsible for:

- reviewing and assessing the adequacy of the Company's compliance policies and procedures;
- reviewing and assessing the effectiveness of the Company's compliance efforts, particularly the training on and implementation of procedures;
- monitoring audits and investigations conducted or overseen by the Company's compliance personnel;
- monitoring administrative investigations of and disciplinary actions against the Company or its executives; and
- reporting to the Board any matters of concern regarding the Company's compliance with various laws and regulations.

Strategy Oversight

A key component of the Board's role is to provide guidance on and oversight of the Company's strategy. In connection with these responsibilities, the Board has an obligation to keep informed about the Company's business, financial and operational performance and strategies. This involvement enables the Board to provide guidance to management in formulating and developing plans and to exercise independently the Board's decision-making authority on matters of importance to the Company. Acting as a full Board and through the Board's standing committees, the Board is directly involved in the Company's strategic planning process.

Each year, senior management convenes to review and refine the Company's overall corporate strategy. Strategic areas of importance and specific operating priorities are identified, which, in turn, inform the Company's long-range planning. Some of the priorities will be short-term in focus; others will be based on longer time horizons. Senior management then reviews the conclusions reached with the Board at one or more meetings. These meetings involve both management presentations and input from the Board regarding the assumptions, priorities and strategies that form the basis for management's operating plans.

At Board meetings, the Board continues to review the Company's progress against its strategic priorities and to exercise oversight and decision-making authority regarding strategic areas of importance and associated authorizations. For example, after the end of each year, the Board typically reviews the Company's overall annual performance and considers the operating budget and capital plan for the coming year. Shortly thereafter, the Board usually finalizes specific criteria against which the Company's performance will be evaluated for the coming year. In addition, Board meetings held throughout the year target areas of the business for extended, focused Board input and discussion. These time frames are flexible, however, and the Board adjusts its meeting agendas and plans to reflect business priorities and developments.

The oversight and input provided by the Board is integral to the development and review of the Company's strategy and operating plans. Through this rigorous and interactive process, the Board encourages the long-term success of the Company by exercising sound and independent business judgment on the strategic issues that are important to the Company's business.

Board and Committee Oversight of Risk Management

Board

The Board recognizes that a prudent level of risk taking is an essential element of the Company's strategy. As such, the Board (as part of its meetings and through its Committees as described below) provides oversight with respect to our enterprise risk assessment and enterprise risk management activities that are designed to identity, prioritize, assess, monitor, and mitigate the various risks that have the potential to significantly impact the Company.

Where appropriate, the Board has delegated responsibility with respect to oversight of certain key risk areas to various Board and management committees. The Board's committees report to the full Board at least four times a year with updates on their areas of designated risk oversight responsibilities. Management is responsible for establishing and supervising day-to-day risk management processes and reporting to the Board and its Committees, as necessary.

Board Committees

Compensation Committee	Nominating & Corporate Governance Committee	Audit Committee	Compliance Committee
Oversees risks related to compensation programs, executive compensation matters, talent management, and diversity, equity and inclusion strategy. A discussion of the compensation risk assessment process undertaken by the Compensation Committee is described on pages 32 through 33 of this Proxy Statement.	Oversees risks associated with Board structure and succession planning, including Board diversity, ESG risks and initiatives, and other governance policies and practices. The Nominating and Corporate Governance committee oversees and receives regular reports from the Chair of the Company's ESG Committee and Diversity Committee	Oversees integrity of financial statements and financial disclosures, effectiveness of the internal controls, the internal audit function, the external independent auditor, compliance with legal and regulatory requirements, information and cyber security, and exposure to major financial risks. Responsible for overseeing annual Enterprise Risk Management assessment. Receives regular updates from the Chief Information Officer on cyber security matters.	Oversees risks associated with the Company's compliance With various gaming regulatory laws and regulations and the adequacy and effectiveness of the Company's gaming regulatory compliance efforts, as well as the Company's anonymous whistle-blower hotline. Receives quarterly reports from the Chief Legal Officer and the Chief Compliance Officer on material legal and Compliance Committee matters.

Management Committees

Cyber Security Committee	ESG Committee	Diversity Committee
Focuses on information and cyber security risks and readiness and oversees a robust cybersecurity program, which employs security scanning and monitoring tools, regular gap and threat assessments and audits and enterprise-wide security awareness exercises and training, as well as the procurement of insurance for cyber events, including ransomware coverage. Chaired by the Chief Information Officer, who engages with our Audit Committee and the Board directly in accordance with our Cyber Incident Response Policy, in the event of Company experiences any material cyber events.	Comprised of senior management from different departments within the Company, focuses on developing and implementing policies and practices designed to foster a culture that helps to attract and retain diverse talent, reinforce our longstanding commitment to being a trusted and valued member of our communities and a responsible steward for the environment. Our SVP Public Affairs & Government Relations serves as Chair of the ESG Committee and provides regular quarterly reports to the Board on the Company's ESG initiatives and reports to the Nominating and Corporate Governance Committee at every regular meeting.	Formed under the executive sponsorship of our CEO and comprised of senior management and team members from different levels of the organization to formalize and enhance the Company's diversity, equity and inclusion practices within the organization and in our communities. Chaired by the SVP Of Regional Operations and provides regular reports to the CEO, the Board and the Nominating and Corporate Governance Committee on the Company's DE&I initiatives.

Key Risk Management Oversight Areas

- Market and macroeconomic environment
- Gaming legislation, regulatory matters, compliance and legal issues
- Technology, information and cyber security
- Business continuity
- Capital allocation and capital markets
- Human capital and talent development
- Board and executive succession
- Compensation matters
- Financial reporting
- Corporate social responsibility, including ESG and DE&I
- Regulatory Compliance

Executive Sessions of Non-Management Directors

Pursuant to our Corporate Governance Guidelines and the Nasdaq Rules, to promote open discussion among non-management directors, the non-management directors regularly meet in executive session without management participation. The executive sessions occur after regularly scheduled meetings of the Board of Directors and at such other times that the non-management directors deem necessary or appropriate. The Board Chair, or, in the absence of a Board Chair, the Lead Independent Director, shall preside at such sessions; in the absence of the Lead Independent Director, the non-management directors present will elect a committee chair to preside at such session. If the group of non-management directors includes any directors who are not "independent" (as such term is defined from time to time under the Nasdaq Rules), an executive session of the independent directors shall be scheduled at least once per year. Currently, all our non-management directors are independent.

Board Resources

In fulfilling its objectives, many of the direct oversight functions of the Board are performed by the Board's committees with support from both senior internal resources as well as independent outside advisors. For example, the Audit Committee receives frequent reports directly from the Company's Chief Financial Officer; Chief Accounting Officer; Chief Legal Officer; Executive Vice President, Operations; Chief Compliance Officer; Vice President, Internal Audit and its external auditor, Deloitte & Touche, LLP. The Audit Committee also has express authority to direct the Company's internal audit staff. Additionally, the Company's independent registered public accounting firm provides support through its annual audit and quarterly reviews of the Company's financial statements. The Compliance Committee is structured in the same manner relative to the Chief Compliance Officer and the Company's compliance staff and regular access to the Company's senior management team.

Both the Audit Committee and the Compliance Committee have substantial internal staff and outside resources to assist them in carrying out their responsibilities. As of December 31, 2022, the Company maintained a 60-person internal audit staff overseen by the Company's Vice President, Internal Audit, who reports to the Audit Committee, and an 89-person compliance staff overseen by the Company's Chief Compliance Officer, who provides frequent reports to the Compliance Committee. Additionally, the Company has retained Thomas N. Auriemma, a non-director member, as the independent Chair of the Compliance Committee and who is the Company's former Vice President, Chief Compliance Officer and former Director of the Division of Gaming Enforcement in New Jersey, with over 30 years of experience as a gaming regulator in the State of New Jersey.

The Compensation Committee retains the services of compensation consultants and legal advisors to provide such advice and assistance as it deems appropriate in its sole discretion. The Compensation Committee has the sole responsibility to oversee the work of any of its advisors. The Compensation Committee approves the fees and retention terms of such compensation consultants and advisors, which are funded by the Company, and can terminate their services in their discretion. The Compensation Committee engaged an independent third-party executive compensation consultant for 2022, Exequity LLP ("Exequity"). Exequity provides advice and assistance to the Compensation Committee in carrying out its duties and responsibilities with respect to the Company's executive compensation programs and non-employee director compensation. Prior to engaging Exequity, and at least annually during the engagement, the Compensation Committee evaluates the independence of Exequity. This review includes receiving information regarding other services, if any, provided by Exequity to the Company, the Board of Directors or other committees of the Board of Directors, and periodically reviewing the fees incurred because of such other activities. In 2022, the Compensation Committee determined that Exequity was independent and that the retention of Exequity by the Compensation Committee did not give rise to any conflicts of interest.

Shareholder Outreach and Engagement

It has been our long-standing practice to meet with shareholders throughout the year so that management and the Board can better understand shareholder perspectives on governance, executive compensation, and other topics. A general overview of our annual engagement process is below.

Shareholder Engagement Cycle

FALL	WINTER	SPRING	SUMMER
Board-led off-season engagement with shareholders to obtain feedback following the annual meeting. Respond to shareholder inquires and proposals to engage.	Review off-season shareholder feedback with the full Board and relevant committee to assess potential enhancements to the executive compensation, corporate governance and sustainability practices.	Publish Annual Report, Proxy Statement and Corporate Sustainability Report. Board-led shareholder engagement to discuss items on the Annual Meeting agenda.	Review feedback and results from the Annual Meeting, best practices, proxy season trends and regulatory developments with the full Board and relevant committees to identify key engagement priority topics and initiatives.

We also regularly communicate with shareholders through a number of recurring forums, including:

- Quarterly Earnings Presentations
- SEC Filings
- Annual Report and Proxy Statement
- Annual Meeting of Shareholders
- Investor Meetings, Conferences and Web Communications

We relay shareholder feedback and trends on corporate governance, environmental sustainability, social responsibility, and executive compensation developments to our Board and its committees and work with them to enhance our practices and improve our disclosures.

The Company holds quarterly conference calls in which management provides brief prepared remarks followed by an open forum for questions, during which the Company provides financial and other disclosure beyond that which is required by the SEC on matters such as management's views on Company performance, industry trends and pending legislation. Further, members of the Company's senior management team actively engage in investor relations efforts including frequent participation at institutional investor conferences, shareholder meetings and management staffed tours of our properties. These regular, ongoing outreach efforts provide investors and prospective investors with constructive forums to discuss a wide variety of important subjects with management, including executive compensation, and provide useful feedback for management.

2022 Shareholder Engagement Highlights

OUTREACH	ENGAGED	DIRECTORS LED	
14 Shareholders *representing* ***54% of O/S***	***6 of top 10 shareholders*** *representing* ***43% of O/S***	***100%*** *of engagement meetings*	We contacted 14 of our largest shareholders, representing 54% of our outstanding shares of common stock as of September 30, 2022, and held meetings with 6 of our top 10 shareholders representing 43% of our outstanding shares. We met with some shareholders more than once throughout the year, as the Compensation Committee and the full Board expanded and intensified the shareholder engagement effort following the 2022 say-on-pay vote to understand the full range of shareholder perspectives and concerns that drove the decline in the say-on-pay support and to develop appropriate responsiveness actions. We also met with the proxy advisory firms, Institutional Shareholder Services (ISS) and Glass Lewis & Co (Glass Lewis) to understand perspectives of their institutional investor clients, who are also among our shareholders.

PENN Engagement Participants	• Mr. Handler, Independent Board Chair • Ms. Shattuck Kohn, Chair of the Compensation Committee and Lead Independent Director • Ms. Kaplowitz, Chair of the Nominating & Corporate Governance Committee • Chief Legal Officer • Chair, ESG Committee
2022 Engagement Topics	• Executive compensation • Board composition and succession planning • Shareholder rights • Climate and environmental stewardship • Capital allocation strategy • Cybersecurity risk management • Talent management • Workforce diversity and inclusion • Political Contributions Disclosure
Key Responsiveness Actions	• Adopted diversified performance metrics for the short- and long-term incentives • Introduced ESG metrics focused on our DE&I progress for the long-term incentive program • Finalized Scope 1 and 2 greenhouse gas emissions assessment • Published EEO-1 data on our corporate sustainability portal • Incorporated first SASB report in our 2022 Corporate Sustainability report • Adopted Political Contributions and Public Disclosure Statement and committed to quarterly disclosure of political contributions in 2023

Additional information regarding comments concerning our executive compensation program, and some of the actions we have taken in response, are discussed in the "Compensation Discussion and Analysis – 2022 Say-on-Pay Vote and Shareholder Engagement" section of this Proxy Statement.

CORPORATE GOVERNANCE MATTERS

How to Contact Our Board

Shareholders who wish to contact our Board can do so by writing to PENN Entertainment, Inc., 825 Berkshire Boulevard, Suite 200, Wyomissing, PA 19610, Attention: Secretary. The Secretary of the Company reviews all such correspondence and forwards to the Board a summary of all such correspondence and copies of all correspondence that, in the opinion of the Secretary, deals with functions of the Board or Committees of the Board or that the Secretary otherwise determines requires the attention of our Board.

Succession Planning for Senior Management

Our Board, in coordination with our Compensation Committee, carefully oversees CEO and senior management succession planning, most recently with respect to Mr. Snowden's appointment as Chief Executive Officer and President on January 1, 2020. Our CEO, in consultation with our Senior Vice President, Chief Human Resources Officer, provides the Board with recommendations on, and evaluations of, and potential successors to the CEO and other members of senior management. Our Board reviews potential internal candidates with our CEO, including the qualifications, experience and development priorities for these individuals. Further, our Board periodically reviews the overall composition of our senior management's qualifications, tenure and experience. The Company's talent management program, which seeks to develop, hire and retain talent below the senior management level, is led by our Executive Vice President, Operations and our Senior Vice President, Chief Human Resources Officer and is complementary to the Board's succession planning.

Review and Approval of Transactions with Related Persons

Pursuant to the terms of its charter, the Company's Audit Committee reviews all potential conflicts of interest and related person transactions. Any such matters that the Audit Committee determines are actual conflicts of interest or related person transactions are further subject to Audit Committee pre-approval. For purposes of the Audit Committee's review, related-person transactions are transactions, arrangements or relationships where the Company is a participant and in which an executive officer, a director or an owner of 5% or greater of the Company's common stock (or any immediate family member of the foregoing persons) has a direct or indirect material interest. The Company's Code of Conduct has a broad definition of conflict of interest, which includes related person transactions, and requires employees to report potential conflicts to the Chief Compliance Officer. All potential conflicts of interest involving an executive officer, director or 5% or greater shareholder of the Company are communicated by the Chief Compliance Officer (or other members of Company management) to the Vice President of Internal Audit. The Vice President of Internal Audit then consults with members of the compliance, legal and finance staffs to determine whether the proposed transaction represents a conflict of interest or a related-person transaction that must be presented to the Audit Committee. For transactions determined to require Audit Committee review, the Vice President of Internal Audit collaborates with members of the legal and finance staffs to prepare and present the transaction to the Audit Committee. In terms of standards applied by the Audit Committee in reviewing related person transactions, a director will not participate in the review of transactions in which such director or his or her immediate family member has an interest. The Audit Committee will only approve related person transactions that are not inconsistent with the best interests of the Company and its shareholders, based on a review of (i) the benefits to the Company of the transaction and (ii) the terms of the transaction and the terms available to or from unrelated third parties, as applicable.

Currently, the policies to review related-person transactions is evidenced in the Audit Committee Charter, the Code of Conduct and the Corporate Governance Guidelines, and certain of the procedures followed in considering related-person transactions are based on past practice and the advice of counsel.

Certain Relationships

Allison Bassman joined the Company in 2020 and was employed by Penn Interactive Ventures, LLC as the Senior Director of People and Culture until June 2022. Ms. Bassman is the daughter of Jane Scaccetti, a member of the Company's Board of Directors. From January 1, 2022 until her departure, Ms. Bassman received compensation in the amount of $182,064. She received no bonus for services rendered in 2022.

PROPOSAL 2:
RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee has appointed the accounting firm of Deloitte & Touche LLP ("Deloitte") to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2023. Action by shareholders is not required by law, the current Listing Rules of the Nasdaq Stock Market (the "Nasdaq Rules") or our organizational documents in the appointment of an independent registered public accounting firm. This proposal is submitted by our Board of Directors for ratification as a matter of good corporate governance to give our shareholders a voice in the appointment of auditors. If the appointment is not ratified by our shareholders, our Board of Directors will further consider its choice of Deloitte as our independent registered public accounting firm and may, but will not be required to, appoint a different independent registered public accounting firm. Deloitte has served as our independent registered public accounting firm since 2017 and is considered by our management to be well-qualified. Deloitte has advised us that neither it nor any member thereof has any financial interest, direct or indirect, in our Company or any of our subsidiaries in any capacity.

For additional information regarding our independent registered public accounting firm, see "Principal Accountant Fees and Services" below. A representative of Deloitte will be present at the Annual Meeting. The representative will have an opportunity to make a statement if he or she desires and will be available to respond to appropriate questions.

Evaluation of Independent Registered Public Accounting Firm

Prior to selecting Deloitte for the fiscal year ending December 31, 2023, the Audit Committee evaluated Deloitte's performance with respect to fiscal year 2022. In conducting this annual evaluation, the Audit Committee considered management's assessment of Deloitte's performance in areas such as: (i) independence; (ii) the quality and the efficiency of the services provided, including audit planning and coordination; (iii) the adequacy of information provided on accounting issues, auditing issues and regulatory developments; (iv) the quality and effectiveness of communications with the Audit Committee and management, including the ability to meet deadlines and respond quickly; (v) reports of the Public Company Accounting Oversight Board and other available data regarding the quality of work performed by Deloitte; and (vi) the geographic reach and expertise of Deloitte in terms of quantity, quality and location of staff.

The Audit Committee also considered Deloitte's tenure, the relative costs, benefits, challenges, overall advisability and potential impact on the Company of changing auditors and the reasonableness of Deloitte's historical and proposed billable rates. The Audit Committee is responsible for the audit fee negotiations associated with the retention of Deloitte. To assure continuing auditor independence, the Audit Committee periodically considers whether there should be a regular rotation of the independent registered accounting firm. Further, in conjunction with the rotation of the auditing firm's lead engagement partner every five years, the Audit Committee and its chair will continue to be involved in the selection of Deloitte's new lead engagement partner. The members of the Audit Committee and the Board believe that the continued retention of Deloitte to serve as our independent external auditor is in the best interests of us and our shareholders.

Vote Required

The affirmative vote of a majority of the votes cast is required for approval of the ratification of the appointment of Deloitte as our independent registered public accounting firm for the fiscal year ending December 31, 2023. For purposes of the vote on this proposal, abstentions will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR"
THE RATIFICATION OF DELOITTE & TOUCHE LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTANT
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2023.**

DIRECTOR COMPENSATION

The Company pays fees to each director who is not an employee of the Company. During the year ended December 31, 2022, the annual compensation for each non-employee director consisted of an annual retainer of $50,000, plus an additional $10,000 for service on each of the Audit Committee, the Compensation Committee and the Compliance Committee, as applicable, and $5,000 for service on the Nominating and Corporate Governance Committee. The Chair of the Audit Committee receives an additional $15,000 annual retainer, and the Chair of the Compensation Committee and the Chair of the Nominating and Corporate Governance Committee each receive a supplemental $10,000 annual retainer. Each non-employee director had the opportunity to elect to receive his or her annual retainer in the form of either cash or shares of restricted stock with forfeiture restrictions lapsing on the first anniversary of the date of grant.

In 2022, each non-employee director other than the Board Chair received a grant of restricted stock units or restricted stock at his or her election with a grant value of $250,000, and the Board Chair received a grant of restricted stock units or restricted stock at his election with a grant value of $375,000. Each award of restricted stock units or shares of restricted stock vests on the first anniversary of the date of grant.

2022 Director Compensation Table

The following table sets forth information with respect to all compensation awarded to the Company's non-employee directors for 2022.

Name	Fees Earned or Paid in Cash ($) [3]	Stock Awards ($) [1] [2]	Total ($)
Vimla Black-Gupta	70,000	250,010	320,010
David Handler	50,000	374,989	424,989
John Jacquemin	55,000	250,010	305,010
Marla Kaplowitz	75,000	250,010	325,010
Barbara Shattuck Kohn	80,000	250,010	330,010
Ronald Naples	65,000	250,010	315,010
Saul Reibstein	70,000	250,010	320,010
Jane Scaccetti	85,000	250,010	335,010

(1) *The amounts listed are calculated based on the closing price on the day prior to grant date computed in accordance with FASB ASC Topic 718.*

(2) *As of December 31, 2022, the following stock awards were outstanding: (i) for Ms. Black-Gupta 6,319 shares of restricted stock; (ii) for Mr. Handler, 13,174 shares of restricted stock; (iii) for Mr. Jacquemin, 9,211 shares of restricted stock; (iv) for Ms. Kaplowitz, 4,937 shares of restricted stock; (v) for Ms. Shattuck Kohn, 8,125 shares of restricted stock; (vi) for Mr. Naples, 8,125 shares of restricted stock; (vii) for Mr. Reibstein, 3,188 restricted stock units and 6,319 shares of restricted stock; and (viii) for Ms. Scaccetti, 3,188 restricted stock units and 6,616 shares of restricted stock. As of December 31, 2022, Mr. Reibstein also had 39,457 stock options outstanding related to his previous service as Chief Financial Officer of the Company.*

(3) *In 2022, each non-employee director was permitted to elect to receive his or her retainer fees in cash or shares of restricted stock, which vest on the first anniversary of the date of grant. In 2022, Ms. Black-Gupta, Mr. Handler, Mr. Jacquemin, Mr. Reibstein and Ms. Scaccetti elected to receive shares of restricted stock in lieu of cash.*

EXECUTIVE OFFICERS

Set forth below is certain information regarding each of our current executive officers, other than Mr. Snowden, whose biographical information is presented under "Proposal 1: Election of Class III Directors—Class III Director Nominees."

Name	Age [1]	Position
Jay Snowden	47	Chief Executive Officer, President and Director
Felicia Hendrix	54	Executive Vice President, Chief Financial Officer
Todd George	53	Executive Vice President, Operations
Chris Rogers	47	Executive Vice President, Chief Strategy Officer

(1) Age as of April 10, 2023.

Felicia Hendrix has served as our Chief Financial Officer and Executive Vice President since March 2021. Ms. Hendrix oversees Accounting, Finance, Internal Audit, and Procurement. Prior to joining PENN, Ms. Hendrix spent more than 20 years on Wall Street and was most recently a Managing Director and Equity Research Analyst at Barclays, covering the gaming, lodging and leisure industries. Before joining Barclays, Ms. Hendrix was a Managing Director at Lehman Brothers. Ms. Hendrix holds a Bachelor's Degree from the University of Virginia and an MBA from the Darden School of Business at the University of Virginia.

Todd George has served as our Executive Vice President, Operations since January 2020. Mr. George oversees PENN's Regional Operations, Interactive, Marketing and Information Technology, as well as Design and Construction. Mr. George plays a critical role in execution of our omni-channel strategy, including integrating the Barstool brand with PENN's core Interactive businesses. Over the past ten years at PENN, Mr. George served as Vice President and General Manager of Hollywood Casino in Lawrenceburg, Indiana, and Hollywood Casino St. Louis. In 2017, Mr. George was promoted to Senior Vice President, Regional Operations, overseeing nine properties in PENN's Midwest Region. Prior to PENN, Mr. George spent 12 years in various management positions at Pinnacle Entertainment, including leading the development and launch of Pinnacle's two St. Louis properties, River City Casino and Lumiere Place. Mr. George holds a bachelor's degree from LeMoyne College and an MBA from Villanova University.

Chris Rogers has served as our Executive Vice President, Chief Strategy Officer since January 2020. Mr. Rogers leads the team in developing and pursuing PENN's strategic growth initiatives. Over his past nine years with PENN, Mr. Rogers has served as Senior Vice President, Corporate Development, and Vice President, Deputy General Counsel. Prior to joining PENN, Mr. Rogers was a corporate attorney at the Dallas-based law firm Vinson & Elkins and the Boston-based law firm Ropes & Gray, as well as a CPA for PricewaterhouseCoopers and Arthur Andersen. Mr. Rogers holds a Bachelor of Business Administration from the University of Oklahoma's Price College of Business and a J.D. from Harvard Law School.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of the Company's common stock, as of April 10, 2023, by (i) each person known to us to beneficially own more than 5% of any class of the outstanding voting securities of the Company, (ii) each of our directors, (iii) each of our named executive officers listed in the table entitled "2022 Summary Compensation Table" below and (iv) all of our current directors and executive officers as a group. Beneficial ownership of shares is determined under rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. Except as noted by footnote, and subject to community property laws where applicable, we believe based on the information provided to us that the persons and entities named in the table below have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them. Unless otherwise noted below, the address of the persons listed in the table is c/o PENN Entertainment, Inc., 825 Berkshire Blvd., Wyomissing, PA 19610. The percentages shown in this table are calculated based on 154,149,376 shares of our common stock outstanding as of April 10, 2023.

5% Shareholders, Officers and Directors	Number of Shares Beneficially Owned	Percentage of Common Stock
Beneficial Owners of 5% or More of Our Common Stock:		
FMR LLC (1)	20,972,513	13.49%
BlackRock, Inc. (2)	14,940,346	9.60%
The Vanguard Group, Inc. (3)	14,290,117	9.21%
HG Vora Capital Management. (4)	10,250,000	6.60%
BAMCO, Inc. (5)	8,097,018	5.22%
Executive Officers and Directors:		
Vimla Black-Gupta	20,656	0.0%
David Handler	187,072	0.1%
John Jacquemin	109,089	0.1%
Marla Kaplowitz	16,569	0.0%
Ronald Naples	20,587	0.0%
Saul Reibstein (7)	37,055	0.0%
Jane Scaccetti	62,014	0.0%
Barbara Shattuck Kohn (8)	58,986	0.0%
Jay Snowden (6)	1,983,176	1.3%
Felicia Hendrix (6)	29,763	0.0%
Todd George (6)	141,109	0.1%
Chris Rogers (6)	95,059	0.1%
All current executive officers and directors as a group (12 persons) (6)	2,761,135	1.8%

** Less than 1%.*

(1) Based on its Schedule 13G/A filed with the SEC on February 9, 2023, the number of shares in the table includes shares beneficially owned as of December 31, 2022, by FMR LLC and Abigail P. Johnson. FMR LLC has sole voting power over 20,164,657 shares, shared voting power over 0 shares, sole dispositive power over 20,972,513 shares and shared dispositive power over 0 shares. Abigail P. Johnson has sole voting power over 0 shares, shared voting power over 0 shares, sole dispositive power over 20,972,513 shares and shared dispositive power over 0 shares. The address of the entity and individual listed above is 245 Summer Street, Boston, Massachusetts 02210.

(2) Based on its Schedule 13G/A filed with the SEC on January 24, 2023, the number of shares in the table includes shares beneficially owned as of December 31, 2022, by BlackRock, Inc. and its listed affiliates. BlackRock, Inc. has sole voting power over 14,128,588 shares, shared voting power over 0 shares, sole dispositive power over 14,940,346 shares and shared dispositive power over 0 shares. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10055.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

cont.

(3) *Based on its Schedule 13G/A filed with the SEC on February 9, 2023, the number of shares in the table includes shares beneficially owned as of December 31, 2022, by The Vanguard Group, Inc. and its listed affiliates. The Vanguard Group, Inc. has sole voting power over 0 shares, shared voting power over 81,270 shares, sole dispositive power over 14,070,099 shares and shared dispositive power over 220,018 shares. The address of Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.*

(4) *Based on its Schedule 13G filed with the SEC on February 14, 2023, the number of shares in the table includes share beneficially owned as of December 31, 2022, by HG Vora Capital Management LLC. HG Vora Capital Management LLC has sole voting power over 10,250,000 shares, shared voting power over 0 shares, sole dispositive power over 10,250,000 shares and shared dispositive power over 0 shares. The address of HG Vora Capital Management LLC is 330 Madison Avenue, 20th Floor, New York, NY 10017.*

(5) *Based on its Schedule 13G/A filed with the SEC on February 14, 2023, the number of shares in the table includes shares beneficially owned as of December 31, 2022 by BAMCO, Inc., Baron Capital Group, Inc., Baron Capital Management, Inc. and Ronald Baron. BAMCO, Inc. has sole voting power over 0 shares, shared voting power over 6,792,507 shares, sole dispositive power over 0 shares and shared dispositive power over 7,126,507 shares. Baron Capital Group, Inc. has sole voting power over 0 shares, shared voting power over 7,763,018 shares, sole dispositive power over 0 shares and shared dispositive power over 8,097,018 shares. Baron Capital Management, Inc. has sole voting power over 0 shares, shared voting power over 970,511 shares, sole dispositive power over 0 shares and shared dispositive power over 970,511 shares. Ronald Baron has sole voting power over 0 shares, shared voting power over 7,763,018 shares, sole dispositive power over 0 shares and shared dispositive power over 8,097,018 shares. The address of the entities and individuals listed above is 767 Fifth Avenue, 49th Floor, New York, New York 10153.*

(6) *The number of shares in the table includes shares that may be acquired upon the exercise of outstanding options or options that may be exercised within 60 days from the Record Date, as follows: Mr. Snowden, 1,340,396, Ms. Hendrix, 12,950; Mr. George, 102,137, Mr. Rogers, 66,902, and all current executive officers and directors as a group, 1,522,385 shares.*

(7) *The number of shares in the table excludes 150 shares owned by Mr. Reibstein's spouse, as to which shares Mr. Reibstein disclaims beneficial ownership.*

(8) *The number of shares in the table excludes 1,750 shares owned by Ms. Shattuck Kohn's spouse, as to which shares Ms. Shattuck Kohn disclaims beneficial ownership.*

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2022, the members of the Compensation Committee were:

	Position
Barbara Shattuck Kohn	Chair
Vimla Black-Gupta	Member
Marla Kaplowitz	Member
Saul Reibstein	Member

= Member = Chair

None of the members of the Compensation Committee during 2022 was an officer or employee or former officer or employee of the Company or its subsidiaries during 2022 or has any interlocking relationships that are subject to disclosure under the rules of the SEC relating to compensation committees.

COMPENSATION COMMITTEE REPORT

As part of our commitment to effective corporate governance and in response to the 2022 "say-on-pay" vote, the Board engaged with our shareholders to obtain their perspectives on PENN's business strategy, executive compensation, sustainability and governance practices. Members of our Board and leadership team met with shareholders representing 43% of our outstanding shares. Our Board Chair, Nominating & Corporate Governance Committee Chair and Compensation Committee Chair personally attended all of these shareholder engagement meetings and would like to thank all of you who met with us to share your valuable perspectives.

We heard from our shareholders that they were concerned about duplicative metrics used in the short- and long-term incentive programs. Several of our shareholders also wanted to understand better the unique multi-phased design of the 2021 CEO Supplemental Award and requested to see updates in our proxy disclosure on its vesting status. In 2022, the Compensation Committee implemented several changes to PENN's compensation program in response to these requests, which we believe further strengthens alignment of our executive compensation program with the interests of our shareholders. Consistent with our stock price performance since the issuance of the 2021 CEO Supplemental Award, the rigor of the performance hurdles under the 2021 CEO Supplemental Award has significantly increased and the outcome of the award remains uncertain. We encourage you to review the following Compensation Discussion and Analysis (the "CD&A") section of this proxy statement for additional details.

The following Compensation Committee report to shareholders shall not, in accordance with the rules of the SEC, be incorporated by reference into any of our future filings made under the Exchange Act or under the Securities Act, and shall not be deemed to be soliciting material or to be filed under the Exchange Act or the Securities Act.

The Committee has reviewed and discussed the following CD&A with the management of the Company. Based on the review and discussions described above, the Compensation Committee has recommended to the Board of Directors that the CD&A be included in this Proxy Statement.

Compensation Committee of the Board of Directors

Barbara Shattuck Kohn, Chair
Vimla Black-Gupta
Marla Kaplowitz
Saul Reibstein

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The following Compensation Discussion and Analysis ("CD&A") discusses the principles underlying our executive compensation policies and decisions for 2022. Our named executive officers for 2022 were:

Jay A. Snowden
Chief Executive Officer, President and Director

Felicia R. Hendrix
Executive Vice President, Chief Financial Officer

Todd George
Executive Vice President, Operations

Chris Rogers
Executive Vice President, Chief Strategy Officer

EXECUTIVE SUMMARY

2022 Performance Highlights

2022 was another transformative year for PENN Entertainment, in which we focused on executing on our leading omni-channel growth strategy. The Company's rebranding to PENN Entertainment, Inc. reflects our evolution into North America's leading provider of integrated entertainment, sports content and casino gaming experiences. We are also finding new ways to drive long-term shareholder value, as demonstrated through the addition of nearly 1.3M new rated players to our PENN Play database, the deployment of our 3C's Technology, the announcement of four exciting new retail growth projects at properties in Illinois, Ohio, and Nevada, and the launch of online sports betting in four jurisdictions and iCasino in one. Our Interactive segment reached a major milestone in April 2022, when theScore Bet launched in Ontario using PENN's proprietary PAM and subsequently migrated to the full PENN Online Platform. The continued expansion of our Interactive segment and the successful deployment of the PENN Online Platform demonstrates our team's ability to rapidly scale, notwithstanding the challenging market for talent attraction and retention.

Increased Omni-channel, Tech-Forward Engagement. Our focused marketing strategy, diverse product offerings and technology enhancements generated approximately 1.3 million new customers last year in our PENN Play database. The continued emphasis on delivering high-quality customer experiences led to a 67% increase in guests who engage with us across multiple channels. We also saw positive momentum in our PENN Play app downloads and the adoption of our industry leading 3C's Technology, which as of April 10, 2023 is deployed at twenty-one properties representing approximately 70% of our retail EBITDAR. Guests who use a digital wallet enjoy a better guest experience and demonstrate superior loyalty through increased visitation and engagement levels, which bodes well for the Company as we continue to drive the adoption of our 3C's Technology across our properties.

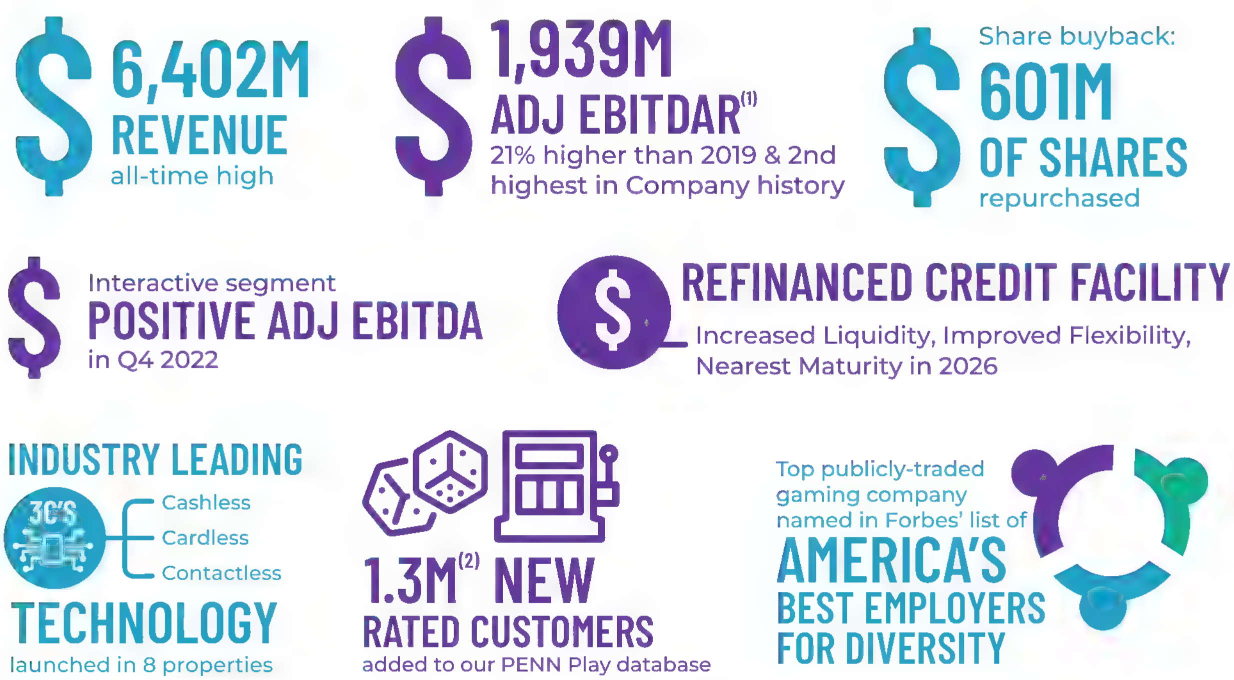
Achieved Q4 2022 Profitability in Interactive Segment. Our rapidly expanding Interactive segment achieved profitability in the fourth quarter of 2022, despite a highly competitive landscape, as we continued to execute on our differentiated strategy to organically expand our ecosystem. The combined power of Barstool, theScore and PENN Game Studios (our in-house iGaming content studio) continues to propel our Interactive segment. The success that theScore Bet achieved in Ontario in 2022 on the PENN Online Platform, which includes features such as the ability to quickly add new online gaming features and betting markets, including same game parlay offerings, gives us confidence that transitioning the Barstool Sportsbook to the PENN Online Platform will deliver improved results for our US Interactive segment.

EXECUTIVE COMPENSATION

Timely OSB and iCasino Launches. In 2022, we launched Barstool Sportsbook's online sports betting services in 3 additional states (Louisiana, Kansas and Maryland) and theScore Bet's online sports betting and iCasino services in Ontario, Canada, bringing our total Interactive footprint to 15 jurisdictions for online sports betting and 5 jurisdictions for iCasino as of December 31, 2022. Importantly, all of our Interactive launches in 2022 occurred on the market open dates in the above jurisdictions.

Advanced our ESG efforts. In 2022, we continued to advance our commitment to responsible corporate citizenship, launching a series of new ESG initiatives to help take care of our team members, our communities and the planet. We completed our first Scope 1 & 2 greenhouse gas emissions assessment, as well as our inaugural SASB disclosure. In addition, PENN was the top publicly-traded gaming company named in Forbes magazine's list of "America's Best Employers for Diversity."

Despite ongoing macroeconomic headwinds, our best-in-class operators were able to achieve 451 basis points of Adjusted EBITDAR margin improvement at our retail operations versus 2019 (the last full year of operations prior to Covid-19), while also achieving the second highest Adjusted EBITDAR in the Company's history. Further, we took significant steps to improve our balance sheet, ending the year with one of the lowest lease-adjusted net leverage ratios in the Company's history.



(1) *Adjusted EBITDAR is a non-GAAP financial measure. For a definition and reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure, see the section entitled "Non-GAAP Financial Measures" on pages 44 - 46 of our 2022 Annual Report.*

(2) *Approximately 1.3M new rated customers were added to the PENN Play database in 2022.*

Entering 2023 with enhanced product offering and integrated media and gaming business. In 2023, we will continue to execute on our highly differentiated strategy to organically expand our ecosystem and drive shareholder value, including through the deeper integration of Barstool into the PENN family, the launch of retail and online sports betting and iCasino as new jurisdictions legalize, and the migration of Barstool Sportsbook onto the PENN Online Platform in July 2023, which we believe will accelerate opportunities for new product offerings and deliver improved results for Barstool Sportsbook.

Alignment of Pay with Performance

Our program is aligned with long-term shareholder returns, with a significant portion of our executive compensation at risk. In 2022, 89% of our Chief Executive Officer's total target compensation and 77% (on average) of our other named executive officers' total target compensation was variable and at risk, subject to achievement of pre-set performance goals or tied to our long-term stock price performance.

** The percentage ratios do not add up to 100% due to rounding.*

Incentive program design reflects preferences of our shareholders. In response to shareholder perspectives, the Compensation Committee adopted diversified performance metrics for the short- and long-term incentive programs, including use of metrics in the long-term incentive program designed to support profitability, accelerate our omni-channel growth strategy, facilitate a successful Ontario launch and market share capture for theScore Bet, and encourage progress on our DE&I initiatives.

Incentive program payouts are aligned with performance. Our short- and long-term incentive payouts were aligned with our robust 2022 financial and operational performance results, which were achieved despite ongoing macroeconomic headwinds and volatility in the digital media space. Our leadership team remained focused on executing our omni-channel, tech-forward strategy that drove significant new user database growth and deepened our customer engagement across our product verticals. We generated revenues of $6.4 billion and adjusted EBITDAR of $1.9 billion for the year and achieved profitability for our Interactive segment in the fourth quarter of 2022. These results reflect the momentum stemming from our management's dedication to our highly differentiated strategy that positions the Company for successful long-term value creation and growth in 2023 and beyond.

2022 Say-On-Pay Vote and Shareholder Engagement

At our 2022 Annual Meeting, the advisory Say-On-Pay proposal received the support of approximately 42% of votes cast. In response to this vote outcome, the Compensation Committee and the full Board expanded and intensified the shareholder engagement effort to understand the full range of shareholder perspectives and concerns that drove the decline in the say-on-pay support and to develop appropriate responsiveness actions.

PENN has a long-standing tradition of holding detailed, frequent, candid and comprehensive engagement with shareholders about its compensation practices, corporate governance and sustainability priorities. The Board values the input and insights of our shareholders and believes that consistent and effective Board-shareholder communication strengthens the Board's role as an active, informed, and engaged fiduciary.

Shareholder Outreach

2022 SHAREHOLDER ENGAGEMENT			
OUTREACH **14 Shareholders** representing **54% of O/S**	**ENGAGED** **6 of Top 10 Shareholders** representing **43% of O/S**	**DIRECTORS LED** **100% of engagement meetings**	We also met with the proxy advisory firms, Institutional Shareholder Services (ISS) and Glass Lewis & Co (Glass Lewis) to understand perspectives of their institutional investor clients, who are also among our shareholders.

PENN Participants

The following members of the Board and management team participated in all of the shareholder engagement meetings:

- David Handler, Chair of the Board
- Barbara Shattuck Kohn, Chair of the Compensation Committee and member of the Audit Committee
- Marla Kaplowitz, Chair of the Nominating & Governance Committee and member of the Compensation Committee
- Chief Legal Officer
- Chair, ESG Committee

Key Themes from Shareholder Meetings

In our meetings with shareholders, we discussed a range of topics, including our executive compensation program, ESG priorities and corporate governance. We gained valuable perspectives from our shareholders, which were conveyed to the full Board of Directors and relevant committees.

Shareholders we met with had diverse views on various aspects of our executive compensation program. The majority of these shareholders were generally supportive of our overall compensation approach. One common concern area raised by our shareholders was the use of performance metrics that were more strategic in nature than financial, including the partial overlap of some of these metrics within the short- and long-term incentive programs, which was largely in response to the significant impact of the Covid-19 pandemic on our operations and challenges with setting reliable financial performance targets at the start of 2021. In connection with the 2022 compensation cycle, the Compensation Committee approved certain changes to our compensation program, including a shift to diversified performance metrics for the short- and long-term incentive programs, which aligned with the shareholders who expressed a preference for diversified short- and long-term metrics and more traditional financial performance metrics in our incentive programs.

Many shareholders participating in the outreach sessions appreciated the Board's thoughtful approach to designing the CEO Supplemental Award and wanted to understand better its multi-phased design and structure. During these meetings, our Compensation Committee Chair explained the award's unique two-phased structure, including the entirely conditional nature of the Phase II incentive opportunity. In compliance with SEC requirements, the Phase II portion of the incentive opportunity, which accounted for 55% of the grant date fair market value of the award and was reported in the last year's Summary Compensation Table at a maximum payout level, will not become available to the CEO unless at least some portion of the Phase I award is earned. Unless our stock price appreciates 352%[1] from the stock price on the Record Date in the remaining 2 years and 8 months of the performance period, the incentive opportunity under both Phase I and Phase II of the CEO Supplemental Award will be forfeited in full.

[1] *Based on $29.20 per share closing price of our common stock as of the Record Date and the $132 per share minimum achievement level of the CEO Supplemental Award.*

EXECUTIVE COMPENSATION

Below is a detailed summary of the common themes we heard during the engagement efforts and our Compensation Committee's responses to the shareholder perspectives that were shared with us.

WHAT WE HEARD	WHAT WE DID
Duplicative performance metrics *Many shareholders we spoke to in outreach sessions expressed concerns about overlapping performance metrics in the short- and long-term incentive programs with a preference for a greater weighting of financial metrics*	• For fiscal 2022 incentive program design, in response to previously obtained shareholder feedback, the Compensation Committee adopted diversified performance metrics for the short- and long-term incentive programs: ○ The short-term incentive program is based on our Adjusted EBITDAR performance to drive our near-term profitability, and replaces the equally weighted Adjusted EBITDAR margin improvement and Online platform metrics used for fiscal 2021, so that our STIP is entirely based on one financial metric. ○ The long-term incentive opportunity is tied to performance metrics aligned to (i) our omni-channel growth strategy, including quantitative increases in retail and online cross-sell as well as PENN Play loyalty base growth (50%), (ii) iCasino market share growth (30%), (iii) Ontario launch and share of market attained (10%), and ESG metrics focused on our DE&I priorities (10%). These metrics reflect our strategic focus on fostering closer integration between our brands in order to provide a seamless omni-channel experience for our customers, grow market share, and achieve DE&I priorities.
2021 CEO Supplemental Award *Some shareholders wanted to better understand the design of the 2021 CEO Supplemental Award and some expressed concern about the size of the incentive opportunity*	• As a testament to the alignment of this award and the Company's stock price performance since the grant date, no portion of the CEO Supplemental Award has been earned to date. • During the engagement meetings, we explained the unique multi-phased design of the award, including the contingent Phase II opportunity that was disclosed at a maximum payout level in last year's Summary Compensation Table, but which may never become available due to the significantly increased rigor of the performance hurdle for Phase I. • We included an update in this year's CD&A disclosure on how the award is tracking against share price performance targets. • Considering the significantly increased rigor of the performance hurdles and the uncertain outcome of this incentive, the Compensation Committee determined not to make any modifications to the CEO Supplemental Award at this time. • The Compensation Committee agrees with our shareholders and reaffirms that one-time grants should be used in rare circumstances to attract or retain exceptional key employees in order to advance strategic business initiatives that support long-term shareholder value creation.
CEO Annual Target Pay *Some shareholders wanted to understand considerations behind the year-over-year CEO target pay adjustments*	• As a recently appointed CEO, Mr. Snowden's annual rate of regular compensation in 2020 and 2021 was lagging the peer group median, and target compensation adjustments were market-based in nature, designed to achieve a closer alignment with market pay levels in a highly competitive gaming, media and entertainment industry. • Following these adjustments, Mr. Snowden's target cash compensation (base salary and short-term incentive) normalized with the market and did not increase for 2022. His long-term incentive opportunity for 2022 increased in alignment with market and peer analysis and was structured to provide incentives in the form of at-risk, long-term incentives to foster alignment with our shareholders.
Integration of the ESG metrics into executive compensation program *Some shareholders suggested adding ESG metrics into the executive compensation program*	• For the 2022 long-term incentive program design, we introduced quantitative ESG metrics designed to incentivize DE&I awareness and promote career development and leadership opportunities across the Company without detracting from the overall rigor and quantitative metrics for the program.

The Compensation Committee, in consultation with its compensation consultant, Exequity LLP ("Exequity"), regularly considers compensation practices suggested by the Company's shareholders as a result of the Company's ongoing shareholder dialogue, as well as those commonly identified as "best practices". We believe that as a result of the actions implemented by the Compensation Committee and the Board in response to our shareholders' views, we have further strengthened the pay and performance alignment of our executive compensation program.

EXECUTIVE COMPENSATION

We strive to incorporate into our compensation program the practices we believe will most effectively support the Company's continuing efforts to create shareholder value. We will continue to evaluate and consider input from our shareholders and emerging "best practices" to ensure that our compensation programs contain the features necessary to properly align the interests of our executives and our shareholders.

Compensation Framework

The primary components of our executive compensation program are base salary, short-term incentive compensation (cash bonus plan) and long-term incentive compensation (equity). These components are described in more detail below.

Component	Description	Primary Objective
Base Salary	Fixed cash compensation	[illegible]
Short-Term Incentive Plan ("STIP")	Cash compensation tied to achievement of pre-determined quantitative performance goals	[illegible]
Long-Term Incentive Program ("LTIP")	Annual equity awards consisting of: - 50% performance-based shares/units that are earned on achievement of pre-set performance goals throughout a three-year performance period; and - 50% time-based non-qualified stock options that vest over a four-year period	[illegible]

Compensation Philosophy

In accordance with our compensation philosophy, adopted and reviewed annually to guide our compensation decisions, the Company intends to maintain an executive compensation program designed to attract and retain the executive talent needed to grow and further the strategic interests of the business. To this end, the Company provides a compensation and benefits program that is competitive with that of its peers and rewards the skills and expertise of its executive team. The Company's program is designed to motivate and reward executives to achieve and exceed targeted performance results and enhance shareholder value. Compensation received by the executives is aligned with the performance of the Company, prevailing market rates among similarly situated companies in the industry, and their own individual contributions by linking compensation to the achievement of pre-established goals.

Compensation Process

Role of the Compensation Committee

The Compensation Committee of our Board of Directors oversees our executive compensation program and evaluates and determines the appropriate executive compensation philosophy and objectives for PENN Entertainment, the process for establishing executive compensation, and the appropriate design and levels of our executive compensation program and compensation arrangements. The Compensation Committee consists entirely of independent directors who review and approve our overall executive compensation programs and practices and set the compensation of our executive officers (the compensation of our Chief Executive Officer is approved by the Board following the recommendation of the Compensation Committee). In determining compensation for our executive officers, other than our Chief Executive Officer, the Committee

considers, among other things, the recommendations of our Chief Executive Officer. The Compensation Committee has the authority to delegate any of its responsibilities to subcommittees as the Compensation Committee may deem appropriate, in its sole discretion, and is also supported in its work by an independent compensation consultant, as described below. The Compensation Committee is, however, solely responsible for making the final decisions on compensation for our executive officers.

Role of Executive Management

To ensure that compensation programs are aligned with our strategic objectives and appropriate performance goals, management provides input to the Compensation Committee with respect to the compensation-setting process. The Chief Executive Officer makes recommendations to Compensation Committee and provides the Compensation Committee with his perspectives on aligning executive compensation strategies with our business objectives. When determining compensation for our executive officers, the Chief Executive Officer provides the Compensation Committee with his input regarding executive performance and recommends base salary and annual short- and long-term incentive targets for each of our executive officers (other than himself). The performance of the Chief Executive Officer is assessed directly by the Compensation Committee (with input from other independent directors) in executive session.

Role of Compensation Consultant

The Compensation Committee engaged Exequity, an independent third-party, as its executive compensation consultant for 2022. Exequity provides advice and assistance to the Compensation Committee in carrying out its duties and responsibilities with respect to the Company's executive compensation programs and non-employee director compensation. The Compensation Committee, in its sole discretion, has sole authority to select, approve, retain, terminate and oversee its relationship with the firm. Exequity did not provide any consulting services, other than with respect to executive compensation matters, to PENN or any of its executive officers in 2022. In selecting its compensation consultant, the Compensation Committee considered the independence of such consultant in accordance with the standards of the Nasdaq Rules, any applicable rules and regulations of the SEC and other applicable laws relating to independence of advisors and consultants. The Compensation Committee concluded that no conflict of interest exists that would prevent Exequity from independently advising the Compensation Committee.

At the Compensation Committee's request, Exequity regularly attends Compensation Committee meetings. Exequity also communicates with the Chair of the Compensation Committee outside committee meetings regarding matters related to the Compensation Committee's responsibilities.

Risk Assessment

The Compensation Committee's responsibilities include, among others, oversight of risks related to our compensation practices and plans to ensure that such practices and plans are designed with an appropriate balance of risk and reward in relation to our overall business strategy and do not encourage excessive or unnecessary risk-taking behavior. In this regard, the Committee annually reviews the Company's compensation and benefits programs in the context of potential risks. The executive compensation program is structured as a balanced mix between fixed and variable, annual and long-term, and cash and equity compensation.

Base salaries are reviewed and set annually. Annual short-term incentive pay in 2022 was focused on achievement of specific, readily quantifiable and meaningful financial goals (Adjusted EBITDAR) and is determined using absolute and objective performance criteria in reference to the Company's annual budget. The other major component of our executive officers' compensation is long-term incentives through a mix (which may vary from year to year and by level) of stock options and performance-based stock awards that we believe are important to help further align executives' interests with those of our shareholders. Such grants are subject to long-term vesting schedules and the performance awards (both annual and long-term) are subject to maximum payout schedules.

In addition, we have share ownership guidelines that require our executive officers to own a given multiple of their base salary in the form of our common stock, restricted stock or restricted stock units (ranging from six times for the CEO to three times for

other executive officers) to help ensure that executives always have significant value tied to long-term stock price performance. The ownership guidelines must be achieved within five years of assuming the individual's current position. Once achieved, ownership of the required amount must be maintained for as long as the individual is subject to the guidelines.

We believe that the annual short-term incentive pay is balanced by our long-term incentive awards, which are granted annually, always ensuring that executives' incentive pay is aligned with share price performance over multiple years. These cash and incentive awards, especially when combined with the compensation clawback policy described on page 65 of this Proxy Statement, appropriately balance payment for performance and alignment of executive compensation with shareholders without encouraging imprudent or excessive risk taking. Based on the foregoing, we believe that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company. We also believe that our incentive compensation arrangements provide incentives that do not encourage risk-taking beyond the Company's ability to effectively identify and manage significant risks, are compatible with effective internal controls and are supported by the oversight of the Compensation Committee.

Executive Compensation Peer Group

The Compensation Committee reviews the total compensation package for each of the executive officers against a pre-selected peer group of companies, based on data compiled by its independent compensation consultant. Consistent with the objectives of the Company's executive compensation program, the Compensation Committee compares executive officer compensation against the median compensation opportunities of these peer companies to ensure that the Company is able to attract and retain highly qualified executive officers by providing a total compensation package that is competitive with those provided by the Company's peers. The Compensation Committee, with the assistance of its independent compensation consultant, reviews the Company's peer group annually to determine whether any changes are warranted from the prior year's peer group.

As our business continues its journey as North America's leading provider of retail and online gaming, live racing and sports betting entertainment, we believe that the most relevant pay comparisons include not only large, traditional gaming companies, but also the companies from entertainment, media, social platforms and other adjacent industry segments. As such, for fiscal 2022 compensation, we expanded our peer group to align with these broader threats to executive talent recruitment and retention. Technology expertise, in particular, is becoming more critical as a core competency for our executive officers. For these reasons, along with the continued growth of our Company, the Compensation Committee, with the assistance of Exequity, reviewed the composition of our peer group during 2021 and determined that the appropriate peer group for assessing the market competitiveness of our named executives' pay should consist of the following companies:

Retained for 2022	New Additions for 2022	Removals for 2022
• Boyd Gaming Corporation • Caesars Entertainment Corporation • Las Vegas Sands Corp. • MGM Resorts International • Red Rock Resorts, Inc. • Wynn Resorts, Ltd.	• DraftKings Inc. • Electronic Arts Inc. • Lions Gate Entertainment Corporation • Roku, Inc. • Sirius XM Holdings Inc. • Zynga Inc	• Eldorado Resorts, Inc. (merged with Caesars Entertainment Corporation in June 2020)

Elements of Executive Compensation

Our executive compensation program consists of the following primary components: base salary, annual short-term incentive compensation (annual cash bonus plan) and long-term incentive compensation (equity).

Base Salary

Base salary is the fixed element of an executive officer's annual cash compensation and is intended to attract and retain highly qualified executives and to compensate for expected day-to-day performance. The Compensation Committee reviews the base salary for each of our executive officers on an annual basis and considers the following factors in making its determinations: the executive officer's position, responsibilities associated with that position, experience, expertise, knowledge and qualifications, market factors, the industry in which we operate and compete, recruitment and retention factors, the executive officer's individual compensation history, salary levels of the other members of our executive team, the median salaries of similarly situated/comparable executives in our peer group, and our overall compensation philosophy. When establishing our named executive officers' annual base salaries, the Compensation Committee references the peer group median salaries.

Set forth in the table below are the 2021 and 2022 base salaries for each of our named executive officers, indicating the year-over-year percentage increase. Effective as of January 1, 2022, the Board increased Mr. George's salary to $800,000 in recognition of his increased responsibilities as an executive officer, and Ms. Hendrix's salary to $715,000, in recognition of her expanded responsibilities, her increased contributions to the Company, and in order to better align her salary with comparable executives in our peer group. Effective May 23, 2022, the Board further increased Mr. George's salary to $900,000 (from $800,000), in recognition of his assumption of responsibility for oversight of the Company's Interactive segment and to recognize his increased contributions to the Company.

Named Executive Officer	2021 Base Salary	2022 Base Salary	Percent Increase from 2021
Jay Snowden	**$1,800,000**	**$1,800,000**	—
Felicia Hendrix	**$650,000**	**$715,000**	**10%**
Todd George	**$725,000**	**$900,000**	**24.13%**
Chris Rogers [(1)]	—	**675,000**	—

(1) Mr. Rogers was not a Named Executive Officer in fiscal 2021.

Annual Short-Term Incentive Plan ("STIP")

Our executive officers are eligible for short-term cash incentive compensation, which is intended to motivate the executive officers to achieve short-term company performance goals that will inure to the benefit of our Company and shareholders and to align executive officers' interests with those of the shareholders. The STIP provides payout opportunities based on the achievement of pre-determined corporate performance objectives, with actual STIP bonuses earned based on the achievement of such performance objective(s) each fiscal year. Each fiscal year, the Compensation Committee sets the range of STIP opportunity payable to each executive as a percentage of annual base salary, consistent with the incentive programs and practices used by the Company's peer group. When establishing our named executive officers' target STIP opportunities, the Compensation Committee references the peer group median target bonus levels. The 2022 STIP opportunity for our named executive officers, expressed as a percentage of final 2022 base salaries, are set forth in the table below:

	2022 STIP Opportunity (as % of Base Salary)		
Named Executive Officer	At Threshold	At Target	At Stretch or Above
Jay Snowden	**125%**	**250%**	**375%**
Felicia Hendrix	**50%**	**100%**	**150%**
Todd George	**50%**	**100%**	**150%**
Chris Rogers	**50%**	**100%**	**150%**

No compensation is awarded for below-threshold performance. If corporate performance is between performance levels (i.e., between threshold and target, or between target and stretch), the actual amount of the award that is earned will be determined by linear interpolation using the two identified levels of performance. Annual short-term incentive opportunities are capped at the maximum bonus levels for each executive, regardless of the extent to which performance exceeds targeted levels.

2022 STIP Awards

The "threshold," "target" and "stretch" performance levels for 2022 performance metrics were approved by the Compensation Committee in early 2022. In order to determine the appropriate rigor of such performance levels with respect to the 2022 STIP, the Compensation Committee reviewed the Company's 2022 operating plan and considered various performance metrics related to the objective of the operating plan. Based on this analysis, the Compensation Committee adopted Adjusted EBITDAR as the performance metric for 2022.

We measured 100% of our 2022 STIP based on Adjusted EBITDAR because Adjusted EBITDAR is an objective and quantifiable measurement for the Company's financial performance, as well as for comparing the Company's performance to others within the gaming industry, as Adjusted EBITDAR is a commonly used performance metric in the industry.

The Compensation Committee believes that achieving the Adjusted EBITDAR Target was the appropriate measure to use for the 2022 annual incentive program because this measure balanced an aggressive approach to executing on our highly differentiated strategy with a disciplined approach to spending. The targeted Adjusted EBITDAR level was deemed by the Compensation Committee to be challenging, but achievable given the Company's budget and overall macroeconomic outlook at the start of 2022.

The Compensation Committee has the discretion to adjust quantitative results to account for factors that were unforeseen at the time compensation targets were established, and exercised its discretion to adjust the Company's 2022 Adjusted EBITDAR for purposes of calculating the 2022 STIP awards to account for non-budgeted amounts associated with the California sports betting initiative and the settlement and resolution of certain litigation matters.

The metrics and the bonus payment thresholds corresponding to such metrics are set forth below:

2022 STIP Performance Metric	Threshold (85%)	Target (100%)	Stretch (115%)	Achievement	Achievement as Percentage of Target
Corporate Adjusted EBITDAR	\$1.642B	\$1.932B	\$2.221B	\$1.957B(1)(3)	101.3%
Retail Adjusted EBITDAR	\$1.743B	\$2.050B	\$2.356B	\$2.117B(2)	103.3%

(1) Reflects total Adjusted EBITDAR of \$1.939B for the year ended December 31, 2022, as reported in our 2022 Annual Report, as further adjusted by the Compensation Committee to exclude the following non-budgeted amounts: (i) \$12.5M related to the California sports betting initiative and (ii) \$4.9M associated with the settlement and resolution of certain litigation matters.

(2) Reflects sum of Adjusted EBITDAR for our retail operating segments (Northeast, Midwest, South, West) and excludes \$4.9M associated with the settlement and resolution of certain litigation matters.

(3) Adjusted EBITDAR is defined as Adjusted EBITDA plus rent expense associated with our triple net operating leases. Adjusted EBITDA is defined as earnings before interest expense, net; interest income; income taxes; depreciation and amortization; stock-based compensation; debt extinguishment and financing charges; impairment losses; insurance recoveries and deductible charges; changes in the estimated fair value of our contingent purchase price obligations; gain or loss on disposal of assets; the difference between budget and actual expense for cash-settled stock-based awards; pre-opening and acquisition costs; and other income or expenses. Adjusted EBITDA is inclusive of income or loss from unconsolidated affiliates, with our share of non-operating items (principally consisting of interest expense, net; income taxes; depreciation and amortization; and stock-based compensation expense) added back for our joint ventures in Kansas Entertainment and Barstool Sports and rent expense associated with triple net operating leases. For a reconciliation of Net Income (Loss) to Adjusted EBITDAR, see the section entitled "Non-GAAP Measures" on pages 44 – 46 on Form 10-K within our 2022 Annual Report.

EXECUTIVE COMPENSATION

During the first quarter of 2023, based on our Adjusted EBITDAR for 2022, the Compensation Committee approved the following STIP awards for the named executive officers (the Board approves the Chief Executive Officer's STIP award following the recommendation of the Compensation Committee). These STIP awards were based solely upon Company Adjusted EBITDAR for all NEOs other than Mr. George, whose STIP was based upon Corporate Adjusted EBITDAR (50%) and Retail Adjusted EBITDAR (50%). At the time the Compensation Committee established the 2022 STIP performance metrics, Mr. George's primary area of responsibility was the Company's retail operations. As such, and due to the importance of retail operations in driving Company performance, the Compensation Committee determined it was appropriate to include both Corporate Adjusted EBITDAR and Retail Adjusted EBITDAR as equal weight components of Mr. George's short-term incentive compensation.

Named Executive Officer	Base Salary	Total Short Term Incentive Payment
Jay Snowden	$1,800,000	$4,696,343
Felicia Hendrix	$715,000	$746,197
Todd George	$900,000(1)	$923,853(2)
Chris Rogers	$675,000	$704,504

(1) Reflects salary adjustment to $900,000 (from $800,000) effective May 23, 2022 to reflect assumption of responsibility for the Company's Interactive segment.

(2) Calculation reflects salary during each period prior- and post- salary adjustment.

Long-Term Incentive Program ("LTIP")

We maintain a long-term incentive program, which provides for the granting of time-based and performance-based equity incentive awards under the 2022 Plan to the Company's executive officers and to other employees, consultants and advisors as designated by the Chief Executive Officer. The LTIP was established in consultation with the Compensation Committee's independent compensation consultant and is intended to closely align the interests of the Company's executive officers, employees, consultants and advisors with the interests of our shareholders by encouraging participants to "think like owners" and to increase the long-term value of the Company by aligning their interests with those of the Company's shareholders through a combination of time-based awards and performance-based awards with rigorous financial and operational performance metrics.

Each fiscal year, the Compensation Committee determines an aggregate target value for the time-based and performance-based portions of annual LTIP award for each executive officer generally consistent with the incentive programs and practices used by the Company's peer group and establishes the performance conditions used for the performance-based portion of the LTIP, as well as the levels of performance (threshold, target and stretch) required to be achieved under the program (the Board approves the Chief Executive Officer's LTIP award following the recommendation of the Compensation Committee). When establishing long-term incentive levels, the Compensation Committee references the median peer long-term incentive values among the peers.

For 2022, the LTIP award targets for the NEOs reflected market-based adjustments designed to maintain competitiveness of our executive compensation program and to foster closer alignment with the interests of our shareholders. The following table sets forth the aggregate 2022 annual long-term incentive award targets for our named executive officers:

Named Executive Officer	2022 LTIP Award Target (% of Base Salary)	2022 LTIP Award Target ($)
Jay Snowden	535%	$9,630,000.00
Felicia Hendrix	240%	$1,716,000.00
Todd George	240%	$1,920,960.00(1)
Chris Rogers	240%	$1,620,120.00

(1) Calculation reflects salary during each period prior-and-post salary adjustment.

The illustration below sets forth the structure of our 2022 regular annual LTIP:

	Weighting	Vehicle	Vesting
Long-Term Incentive Awards	**50%**	**Performance Based Stock Awards**	**Amount Earned Vests at the End of the 3-Year Performance Period**
	50%	**Time-Based Stock Options**	**4-Year Annual Vesting**

As shown in the illustration above, for 2022, the LTIP provides for annual grants of equity awards that are issued in an equal mix of time-based stock options that vest ratably, annually over a four-year period and performance-based stock awards ("Performance Awards") that vest based on the achievement of certain performance conditions over a three-year period. For the Performance Awards, one or more performance goals are established for each year of the overall three-year performance period. The terms of the stock options and Performance Awards are described below.

2022 LTIP AWARDS

The Compensation Committee approved the grant of the following LTIP awards to the Company's executive officers for 2022 as set forth in the table below.

		Performance Awards (50% of Aggregate Target LTIP)[(1)]			
Named Executive Officer	Aggregate Amount of Target LTIP Award	Threshold (50%)	Target (100%)	Stretch (150%)	Stock Options (50% of Aggregate Target LTIP)[(2)]
Jay Snowden	**$9,630,000**	**$2,407,500**	**$4,815,000**	**$7,222,500**	**$4,815,000**
Felicia Hendrix	**$1,716,000**	**$429,000**	**$858,000**	**$1,287,000**	**$858,000**
Todd George	**$1,920,960**	**$480,240**	**$960,480**	**$1,440,720**	**$960,480**
Chris Rogers	**$1,620,120**	**$405,030**	**$810,060**	**$1,215,090**	**$810,060**

(1) *The number of Performance Awards issued was determined by dividing the target amount by the closing stock price of our common stock as of February 14, 2022, for NEOs and March 8, 2022 for CEO, the trading day immediately prior to the grant date.*

(2) *The number of stock options issued was determined by dividing the applicable target dollar amount of such awards by the Black Scholes grant date fair value per option as of January 3, 2022, the trading day immediately prior to the grant date.*

PERFORMANCE AWARDS

With respect to the Performance Awards, each award has a three-year award period consisting of three one-year performance periods and a minimum three-year service period that runs from the date the award is approved. One or more performance goals are established for each performance period. Following the end of each performance period, the Compensation Committee will review the level of performance goals achieved and determine the number of performance awards earned for such period and credited to participants for ultimate settlement at the end of the three-year performance period. No portion of the award is earned for performance that falls below the minimum level ("Threshold") and the maximum payout is capped at 150% for achievement at or above the maximum level ("Stretch"). All Performance Awards that were earned in 2022 will remain subject to forfeiture during the full three-year period of each applicable Performance Award, subject to lapse of such forfeiture restrictions earlier in the event of involuntary termination of service, retirement, death or disability, or a change in control of the Company.

In early 2022, the Committee considered various performance metrics and ultimately approved the following goals for the (a) third performance period of the 2020 Performance Awards, (b) second performance period of the 2021 Performance Awards and (c) first performance period of the 2022 Performance Awards:

2022 LTI Performance Goals

LTI Performance Metric	Weighting	Alignment with Long-Term Value Creation
Omni-channel metrics focused on growing the PENN Play database and driving retail and online cross-sell	50%	Collection of quantitative omni-channel metrics designed to drive patrons across our product offerings, thereby generating greater brand loyalty and increased spend-per-customer. Focused on incentivizing growth in the PENN Play database and cross-sell between our various product offerings, including retail, online sports betting and iCasino.
iCasino market share	30%	Designed to incentivize growth of iCasino market share in U.S. jurisdictions.
Ontario launch and market share capture for Online Sports Book and iCasino	10%	Designed to promote the successful launch of theScore Bet (in Ontario, a large and highly competitive market) on PENN's proprietary PAM platform, an important milestone for our Interactive segment.
ESG and DE&I	10%	Designed to incentivize ESG and DE&I awareness and to promote career development and leadership opportunities for a diverse base of candidates across the Company.

The Compensation Committee determined that the above metrics are the best measures of our ability to create long-term shareholder value by incentivizing closer integration between our brands to provide a seamless omni-channel experience for our customers, market capture growth initiatives and DE&I talent management priorities. Each metric emphasizes an important element of our strategy to connect our brands and expand both our retail and online casino offerings as part of our ambitious long-term growth strategy.

The Performance Awards are subject to recoupment in accordance with any existing clawback or recoupment policy (including our current policy), or any clawback or recoupment policy that the Company is otherwise required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law.

2022 PERFORMANCE

2022 Performance applies to the following one-year performance periods of these Performance Awards:

- Third performance period of the 2020 Performance Awards
- Second performance period of the 2021 Performance Awards
- First performance period of the 2022 Performance Units

The following table summarizes the actual performance during 2022 for the named executive officers under the Performance Awards that are made up of (i) the third performance period of the 2020 Performance Awards, (ii) the second performance period of the 2021 Performance Awards, and (iii) the first performance period of the 2022 Performance Awards. The performance period for these Performance Awards ran from January 1, 2022, through December 31, 2022.

Relative Weighting	2022 LTIP Performance Metric	Threshold (50%)	Target (100%)	Stretch (150%)	Actual Achieved
50%	Omni-Channel Growth Metrics (PENN Play Growth; Retail/Online Cross-Sell)	25%	50%	75%	70.80%
30%	iCasino Market Share Metric	15%	30%	45%	0.0%
10%	Ontario Launch and Market Share Metrics	5%	10%	15%	14.18%
10%	ESG and DE&I Metrics	5%	10%	15%	14.65%
				TOTAL	99.63%

As a result of this performance, the following shares of restricted stock or restricted stock units were earned and credited to our named executive officers under our 2020, 2021 and 2022 Performance Awards. Prior to 2022, the performance awards were granted in the form of restricted stock. In 2022, to better align with industry compensation trends, the Compensation Committee determined that performance awards would be settled in restricted stock units. The 2021 and 2022 Performance Awards remain subject to forfeiture for three years following the grant date during the full three-year service period, subject to lapse of such forfeiture restrictions earlier in the event of involuntary termination of service, retirement, death or disability, or a change in control of the Company. The 2020 Performance Awards have completed their full three-year performance cycle and therefore have vested to the extent applicable performance goals were achieved in 2020, 2021 and 2022.

	Restricted Stock Units	Restricted Stock	Restricted Stock Units	Restricted Stock
Named Executive Officer	Earned from 2022 Performance Awards	Earned from 2021 Performance Awards	Earned from 2020 Performance Awards	Earned from 2020 Performance Awards
Jay Snowden [(1)]	38,301	12,918	—	—
Felicia Hendrix [(2)]	5,960	2,488	—	—
Todd George	6,672	2,775	4,805[(3)]	4,805
Chris Rogers	5,627	2,201	—	1,848

(1) *Mr. Snowden received an equity grant in August 2019 upon the announcement of his imminent promotion to CEO on January 1, 2020, and therefore did not participate in the 2020 Performance Award Plan.*

(2) *Ms. Hendrix joined the Company in 2021.*

(3) *Mr. George's restricted stock units earned from the 2020 performance awards were settled in cash in early 2023 in the amount of $144,630.50.*

STATUS OF OUTSTANDING PERFORMANCE AWARDS

The Compensation Committee believes that the long-term incentive compensation awards issued to the named executive officers pursuant to the LTIP appropriately align our named executive officers' focus with the achievement of the Company's strategic objectives and with the long-term value return expectations of our shareholders. The following table shows the status of the Performance Awards granted since 2020, in each case measured as of December 31, 2022.

LTIP Award	2020	2021	2022	2023	2024	Payout Status by Year
2022 Performance Award			33%			Yr. 1 = %
2021 Performance Award		66%				Yr. 1 = % Yr. 2 = %
2020 Performance Award	100%					Yr. 1 = % Yr. 2 = % Yr. 3 = %

STOCK OPTIONS

The time-based awards represented 50% of the annual long-term incentive opportunity awarded in 2022 and were issued in the form of non-qualified stock options, which vest 25% per year over four years. Unvested options are forfeited unless the option holder remains in continuous employment with the Company through the applicable vesting dates (except as otherwise provided in the participant's employment agreement in specific instances, such as terminations "without cause" or for "good reason" including following a "change in control"). As of the Record Date, in alignment with the interest of our shareholders, all time-based stock options issued to our named executive officers in 2022 are under water.

Update on 2021 CEO Supplemental Award

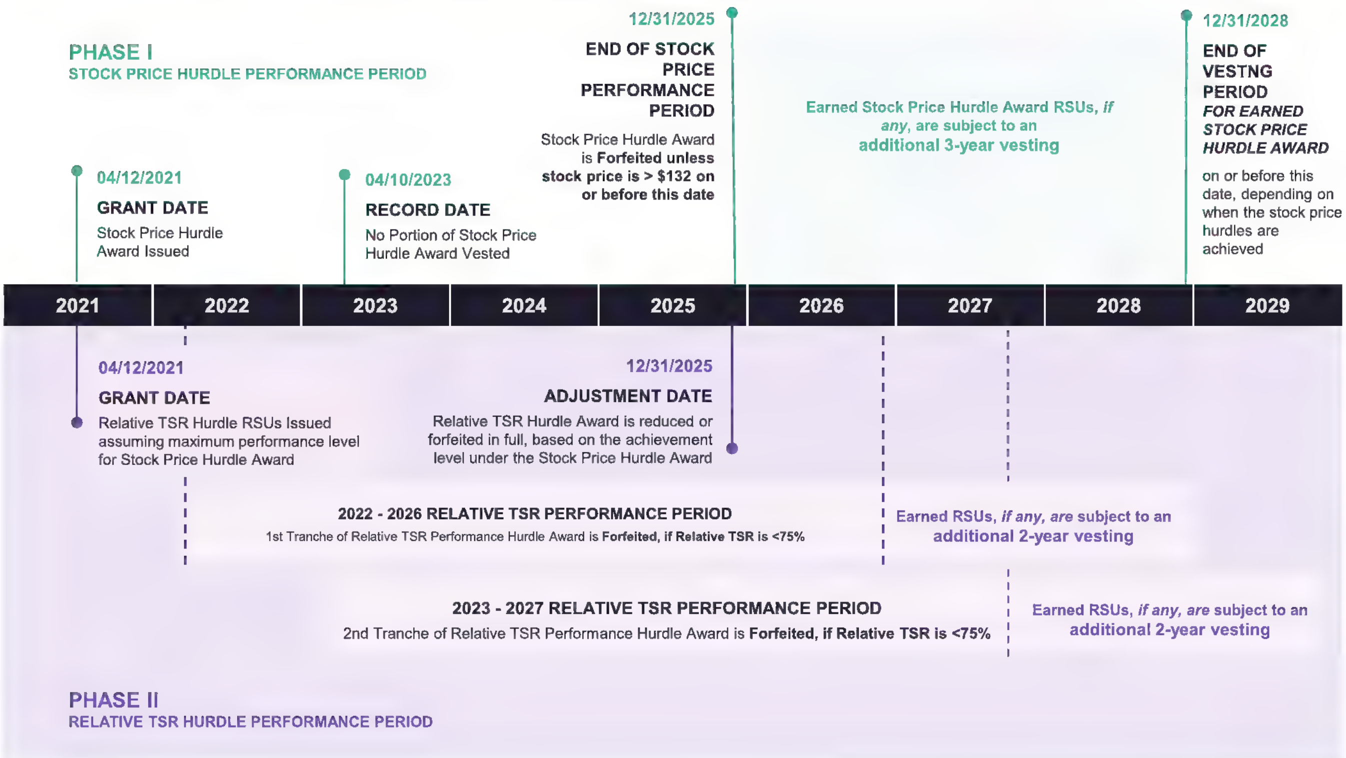
To build even stronger pay-for-performance alignment with our shareholders, and in response to shareholder input, on April 12, 2021, the Board approved the CEO Supplemental Award, a two-phased performance-based supplemental equity award for Mr. Snowden with vesting contingent upon achieving absolute stock price milestones and relative total shareholder return ("TSR") milestones. We are not aware of any similar incentive award structures in the market, applying a two-phased approach that includes extraordinarily rigorous absolute and relative stock price 2022 performance hurdles, an incentive opportunity that is conditional in nature and a combination of performance and service-based requirements that extend vesting through the end of 2029. The structure of the CEO Supplemental Award was designed to foster long-term alignment with the shareholders' interests consistent with TSR performance from the time of grant. No portion of the CEO Supplemental Award has vested as of the Record Date, and its outcome remains uncertain.

The Board believes the CEO Supplemental Award is an important tool for encouraging and incentivizing Mr. Snowden to continue achieving transformational growth and creating long-term value for PENN shareholders.

The award, which has been designed with the interests of shareholders in mind and was awarded under the Company's 2018 Long Term Incentive Compensation Plan, as amended, and the 2022 Plan (together, the "Long Term Incentive Compensation Plans"), consists of the following two phases:

- **PHASE I - "Stock Price Hurdle Award"**: an equity-based grant with performance vesting conditions tied to the achievement of aspirational stock price hurdles, which must be maintained for 60 consecutive trading days, during the period ending December 31, 2025; and

- **PHASE II - "Relative TSR Hurdle Award"**: an equity-based award that, **contingent upon achievement of a Stock Price Hurdle Award**, provides an opportunity to earn additional shares if the Company's five-year TSR measured at the end of 2026 and 2027 equals or exceeds the 75th percentile of the S&P 500 index.



No portion of the 2021 CEO Supplemental Award has vested. The CEO Supplemental Award reflects a unique two-phased design, where the Phase II incentive opportunity does not become available unless at least one of the stock price milestones under Phase I of the award is achieved. Demonstrating the tight alignment of our executive pay arrangements and performance, over the last two years, no portion of the CEO Supplemental Award has been earned over the last two years. Unless our stock price appreciates 352%[1] from the stock price on the Record Date in the remaining 2 years and 8 months of the performance period, the incentive opportunity under both Phase I and Phase II of the CEO Supplemental Award will be forfeited in full. The outcome of this incentive program remains uncertain.

(1) *Based on $29.20 per share closing price of our common stock as of the Record Date and the $132 per share minimum achievement level of the Stock Price Hurdle Award (described below)*

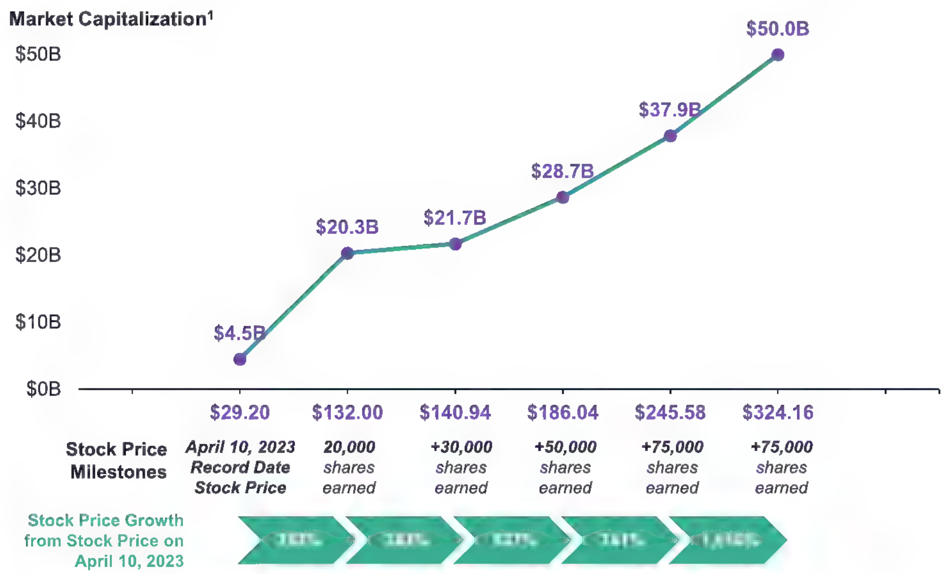
EXECUTIVE COMPENSATION

NO PORTION OF THE CEO SUPPLEMENTAL AWARD HAS BEEN EARNED AS OF APRIL 10, 2023 RECORD DATE

The CEO Supplemental Award will be forfeited in full, if our stock price does not appreciate by 352% from the closing stock price on the Record Date in the remaining 2 years and 8 months of Phase I performance period

The outcome of the CEO Supplemental Award remains uncertain

Stock Price Performance Milestones and Market Capitalization Growth



1. The market capitalization is calculated using the applicable stock price and the number of common shares outstanding as of the record date of this proxy filing (April 10, 2023).

Other Compensation Program Elements and Policies

Deferred Compensation. The Company does not maintain any defined benefit pension programs for its executives. The Company maintains an elective nonqualified deferred compensation plan (the "Deferred Compensation Plan") for tax planning and retirement purposes for our executives. In 2022, the minimum annual deferrable amount was $3,000 and the maximum was 90% of the executive's base annual salary and/or bonus. Deferral elections must be made before the beginning of the year in which compensation will be earned. The Company's contributions under the plan in 2022 were equal to 50% of the participant's deferral for the first 10% of the salary and/or bonus deferred, subject to a maximum annual Company contribution equal to 5% of the participant's salary and/or bonus. All amounts credited to an executive's account are invested, as directed by the executive, in commonly available mutual funds, and the Company does not guarantee any minimum returns. The plan is unfunded, and benefits are paid from the Company's general assets; however, the Company currently contributes funds into a grantor trust on a monthly basis in respect of these deferred compensation obligations. The Company generally sets aside separately the amounts deferred by the executives and the matching contributions thereon and, to protect against excess liabilities, invests such amounts in the mutual funds notionally selected by each executive. This program is described in more detail beginning on page 70 of this Proxy Statement.

The Committee believes that the Deferred Compensation Plan is necessary to attract and retain our executives and is consistent with competitive and industry practices.

Benefits and Perquisites. We offer a set of benefits to all of our employees, including medical, dental and vision insurance, group life insurance, short- and long-term disability and a 401(k) with certain contributions matched by us in 2022. We believe that executives should be offered benefits and perquisites that are reasonable relative to the benefits provided to all employees and that are consistent with competitive and industry practices among the Company's peer group. Consistent with these objectives, the Company also provides certain executive officers with selected supplemental benefits and perquisites, including matching contributions under the Company's Deferred Compensation Plan and financial and tax planning services. In addition, Mr. Snowden is entitled to life insurance in the amount of three times his base salary. He is also entitled to use of Company aircraft, which is important in ensuring efficient travel to our gaming facilities that are located across a wide geographic area without regular commercial flight alternatives and which is generally consistent with other companies in our gaming peer group that

permit their chief executive officers to use the company's aircrafts for personal use and commuting. In determining the supplemental benefits and perquisites that our executive officers are entitled to receive, the Committee evaluates the benefits and perquisites given by companies in the Company's core gaming peer group. The description and value of such supplemental benefits and perquisites in 2022 can be found in the "All Other Compensation" column of the Summary Compensation Table in this Proxy Statement.

Hedging and Pledging Policy. We maintain policies prohibiting each of the Company's directors and employees (including executive officers) from engaging in hedging transactions (such as short sales, puts and calls and other derivatives), and pledging Company shares as collateral for a loan or holding shares in a margin account.

Compensation Clawback Policy. As a highly regulated, multi-jurisdictional gaming and racing company, the Company has maintained a long-standing commitment to ensure that its executive officers adhere to the highest professional and ethical standards. Accordingly, the Company has adopted a policy pursuant to which misconduct by any executive officer that leads to a restatement of the Company's financial results could subject such individuals to a disgorgement of prior compensation. In the event of a restatement, in light of the highly regulated nature of the Company's business, the Committee has the authority to pursue an appropriate remedy based on the facts and circumstances surrounding the restatement and existing laws. In light of the SEC's adoption of Rule 10D-1 under the Exchange Act, which requires securities exchanges to adopt listing standards that require issuers to develop and implement a policy providing for the recovery of erroneously awarded incentive-based compensation received by current or former executive officers, we expect to amend our clawback policies in accordance with the Nasdaq rule.

Stock Ownership Guidelines for Senior Management. We believe that equity ownership fosters an atmosphere where directors and officers "think like owners" and are motivated to increase the long-term value of the Company by aligning their interests with those of the Company's shareholders. To this end, the Committee has established the following stock ownership guidelines for senior management, which are re-evaluated periodically.

Position	Required Value of Shares Held (2022)
Chief Executive Officer	Six (6) times base salary
Other Executive Officers	Three (3) times base salary

The Chief Executive Officer is authorized to set ownership requirements for other members of the senior management team as appropriate. As with the director stock ownership guidelines, the value of a named executive officer's stock ownership at any time will be based on the aggregate value of common stock, restricted stock and restricted stock units held by such named executive officer. Each named executive officer is required to achieve compliance with these guidelines within five years of assuming his or her current position and, once achieved, ownership of the required amount must be maintained for as long as the individual is subject to these guidelines. As of December 31, 2022, each of the named executive officers was on track to achieve compliance with the deadlines within five years of assuming his or her current position.

Timing of Equity-Based Awards. The Company adopted an Equity Based Award Policy, under which, for regular annual stock option awards to executive officers, the grant date will be the second trading day of the calendar year. Performance-based awards are made during the first quarter of each year when the Compensation Committee approves the performance goals for the year. From time to time, annual grants may be made on a later date in the year as a result of the timing of the determination of the awards and terms or other factors, such as performance metrics for a given year. In 2022, the annual Performance Awards were approved at the regular meeting of the Compensation Committee on February 15, 2022 for the NEOs (other than the Chief Executive Officer) and on March 9, 2022 at the regular meeting of the Board for the Chief Executive Officer. New hire equity-based awards granted outside of the regular annual pay program granted throughout the year are made on the first day of the month following the award approval, and ad hoc equity-based awards are granted on the fifth business day following the date upon which the CEO approves such awards. All equity-based grants, whether granted on the second trading day of the calendar year or later in the year, are priced in accordance with the terms of the applicable equity compensation plans or performance share programs, which require, among other things, that the exercise price of all stock options be established by reference to the closing price on the trading day immediately prior to the date of grant.

COMPENSATION TABLES AND ARRANGEMENTS

2022 Summary Compensation Table

This Summary Compensation Table summarizes the total compensation paid or earned by each of our named executive officers for the years ended December 31, 2022, December 31, 2021 and December 31, 2020.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (a)	Option Awards ($) (a)	Non-Equity Incentive Plan Compensation ($) (b)	All Other Compensation ($) (c)	Total ($)
Jay Snowden *Chief Executive Officer and President*	2022	1,800,000	—	2,146,326	4,814,999	4,696,343	617,946	14,075,614
	2021	1,786,154	—	53,054,562	4,050,022	6,750,000	246,476	65,887,214
	2020	1,215,677	—	2,431,391	0	0	251,587	3,898,655
Felicia Hendrix (d) *Executive Vice President, Chief Financial Officer*	2022	712,500	—	405,381	857,987	746,197	91,433	2,813,498
	2021	537,500	375,000	518,491	779,989	975,000	25,000	3,210,980
	2020	—	—	—	—	—	—	—
Todd George (d) *Executive Vice President, Operations*	2022	854,962	—	914,511	960,475	923,853	108,325	3,762,126
	2021	722,404	—	1,589,576	870,014	1,087,500	55,920	4,325,414
	2020	—	—	—	—	—	—	—
Chris Rogers (d) *Executive Vice President, Chief Strategy Officer*	2022	671,202	—	464,331	810,051	704,504	89,843	2,739,931
	2021	—	—	—	—	—	—	—
	2020	—	—	—	—	—	—	—

(a) Amounts set forth in the Stock Awards and Option Awards columns represent the aggregate grant date fair value of awards granted in each year as computed in accordance with ASC 718, disregarding estimates of forfeitures related to service-based vesting conditions. Performance Award values are based upon their probable outcome of the performance condition as of the grant date. For compensation purposes, Performance Awards are not considered granted until such time that the performance goals are established. For additional information about the assumptions used in these calculations, see (i) footnote (a) in the Grants of Plan Based Awards Table below, and (ii) Note 2 to our audited consolidated financial statements included in our 2022 Annual Report. The amounts presented in the Stock Awards column for each named executive officer during 2022 include the grant date fair value of their awards as follows:

Mr. Snowden: (i) second-one-third of the 2021 performance-based restricted stock award ($541,331); and (ii) first one-third of the 2022 performance-based restricted stock unit award ($1,604,995). Mr. Snowden received an equity grant in August 2019 upon the announcement of his imminent promotion to CEO on January 1, 2020, and therefore did not participate in the 2020 Performance Award Plan.

Ms. Hendrix: (i) second-one-third of the 2021 performance-based restricted stock award ($119,382); and (ii) first one-third of the 2022 performance-based restricted stock unit award ($285,999).

Mr. George: (i) last one-third of the 2020 performance-based restricted stock award ($230,588); (ii) last one-third of the 2020 performance-based restricted stock unit award ($230,588), which was settled in cash; (iii) second one-third of the 2021 performance-based restricted stock award ($133,151); and (iv) first one-third of 2022 performance-based restricted stock unit award ($320,184).

Mr. Rogers: (i) last one-third of the 2020 performance-based restricted stock award ($88,688); (ii) second one-third of the 2021 performance-based restricted stock award ($105,612); and (iii) first one-third of 2022 performance-based restricted stock unit award ($270,031).

(b) The amounts reflect cash payments for 2022 pursuant to the Company's annual short-term incentive plan, which provided for the payment of incentive compensation upon the Company's achievement of pre-established performance goals. A discussion of our annual short-term incentive plan may be found in our CD&A under "Annual Short-Term Incentive Plan."

(c) **For Mr. Snowden,** All Other Compensation in 2022 consisted of: (i) $427,500 in Company matching contributions under the Company's Deferred Compensation Plan ("DCP"); (ii) $8,551 in Company paid insurance premiums; (iii) $16,667 in tax and financial planning; (iv) $6,100 in matching 401(k) contributions; and (v) $144,128 representing aggregate incremental cost for use of the Company's aircraft which is based on variable costs of operating the aircraft including fuel costs, landing costs and repairs and maintenance; and (vi) $15,000 in legal fees associated with the review of his employment agreement.

For Ms. Hendrix, All Other Compensation in 2022 consisted of $84,375 in Company matching contributions under the DCP; and (ii) $7,058 in tax and financial planning.

For Mr. George, All Other Compensation in 2022 consisted of: (i) $97,123 in Company matching contributions under the DCP; (ii) $5,102 in tax and financial planning; and (iii) $6,100 in matching 401(k) contributions.

For Mr. Rogers, All Other Compensation in 2022 consisted of: (i) $76,685 in Company matching contributions under the DCP; (ii) $7,058 in tax and financial planning; and (iii) $6,100 in matching 401(k) contributions.

COMPENSATION TABLES AND ARRANGEMENTS

(d) Ms. Hendrix and Mr. George became a named executive officer of the Company in 2021, and Mr. Rogers became a named executive officer of the Company in 2022 and, therefore, in accordance with SEC regulations, only compensation information for the fiscal year in which each became a named executive officer is included in the Summary Compensation Table.

	Performance Award Compensation Disclosed for 2022					
	Disclosed vs. Design	**2020**	**2021**	**2022**	**2023**	**2024**
2022 Performance Award	Plan Design Value			100%		
	Value Disclosed in Summary Compensation Table			33%	33%	33%
2021 Performance Award	Plan Design Value		100%			
	Value Disclosed in Summary Compensation Table		33%	33%	33%	
2020 Performance Award	Plan Design Value	100%				
	Value Disclosed in Summary Compensation Table	33%	33%	33%		

The grant date fair value assuming the maximum level of performance achieved under performance awards for the 2022 performance period are as follows: (i) $3,219,489 for Mr. Snowden; (ii) $608,072 for Ms. Hendrix; (iii) $1,371,767 for Mr. George and (iv) $696,497 for Mr. Rogers.

COMPENSATION TABLES AND ARRANGEMENTS

2022 Grants of Plan Based Awards

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards ($)			Estimated Future Payouts Under Equity Incentive Plan Awards (#)						
Name	Grant Date [a]	Award Date [a]	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: (#)	All Other Option Awards (#) [b]	Exercise Price of Option Awards ($/share)	Grant Date Fair Value of Stock and Option Awards ($) [c]
Jay Snowden			2,250,000	4,500,000	6,750,000	—	—	—	—	—	—	—
	1/4/2022		—	—	—	—	—	—	—	159,408	50.64	4,814,999
	3/9/2022[f]	4/12/2021	—	—	—	6,483	12,966	19,449	—	—	—	541,331
	3/9/2022	3/9/2022	—	—	—	19,222	38,443	57,665	—	—	—	1,604,995
Felicia Hendrix			357,500	715,000	1,072,500	—	—	—	—	—	—	—
	1/4/2022		—	—	—	—	—	—	—	28,405	50.64	857,987
	2/15/2022[f]	4/12/2021	—	—	—	1,249	2,497	3,746	—	—	—	119,382
	2/15/2022[g]	2/15/2022	—	—	—	2,991	5,982	8,973		—	—	285,999
Todd George			450,000	900,000	1,350,000	—	—	—	—	—	—	—
	1/4/2022		—	—	—	—	—	—	—	31,798	50.64	960,475
	2/15/2022[d]	3/4/2020	—	—	—	2,412	4,823	7,235	—	—	—	230,588
	2/15/2022[e]	3/4/2020	—	—	—	2,412	4,823	7,235	—	—	—	230,588
	2/15/2022[f]	4/12/2021	—	—	—	1,393	2,785	4,178	—	—	—	133,151
	2/15/2022[g]	2/15/2022	—	—	—	3,349	6,697	10,046	—	—	—	320,184
Chris Rogers			337,500	675,000	1,012,500	—	—	—	—	—	—	—
	1/4/2022		—	—	—	—	—	—	—	26,818	50.64	810,051
	2/15/2022[d]	3/4/2020	—	—	—	928	1,855	2,783	—	—	—	88,688
	2/15/2022[f]	4/12/2021	—	—	—	1,105	2,209	3,314	—	—	—	105,612
	2/15/2022[g]	2/15/2022	—	—	—	2,824	5,648	8,472	—	—	—	270,031

(a) The grant date shown in the table was determined pursuant to ASC 718, which is the date our Compensation Committee (or our Board for the CEO) established the performance criteria for the first one-third of the 2022 Performance Awards, the second one-third of the 2021 Performance Awards and the final one-third of the 2020 Performance Awards. The award date shown above represents the date on which our Compensation Committee (or our Board for the CEO) awarded the target number of Performance Awards to the named executive officers when the date differs from the grant date.

(b) Option awards represent stock options granted to the executives as part of their annual equity incentive compensation. The option awards vest over four years, 25% on the first anniversary of the date of grant and 25% on each succeeding anniversary.

(c) Represents the full grant date fair value of awards under ASC 718. Generally, the full grant date fair value is the amount the Company expenses in its financial statements over the award's vesting period. Assumptions used in the calculation of the amounts for stock option awards and performance awards are included in Note 2 to the Company's audited financial statements in our 2022 Annual Report.

(d) Equity incentive awards represent performance-based restricted stock awards approved on March 4, 2020 in connection with the Company's 2020 Performance Awards. The aggregate target number of restricted stock having a three-year award period consisting of three one-year performance periods and a three-year service period were: (i) 14,469 for Mr. George and (ii) 5,565 for Mr. Rogers.

(e) Equity incentive awards represent performance-based restricted stock units that vest in cash approved on March 4, 2020 in connection with the Company's 2020 performance share program. The aggregate target number of restricted stock units having a three-year award period consisting of three one-year performance periods and a three-year service period were: (i) 14,469 for Mr. George.

(f) Equity incentive awards represent performance-based restricted stock awards approved on April 12, 2021 in connection with the Company's 2021 performance share program. The aggregate target number of restricted stock having a three-year award period consisting of three one-year performance periods and a three-year service period were: (i) 38,897 for Mr. Snowden; (ii) 7,491 for Ms. Hendrix; (iii) 8,356 for Mr. George; and (iv) 6,627 for Mr. Rogers.

(g) Equity incentive awards represent performance-based restricted stock units approved on March 9, 2022 for Mr. Snowden and February 15, 2022 for the other named executive officers in connection with the Company's 2022 performance share program. The aggregate target number of restricted stock units having a three-year award period consisting of three one-year performance periods and a three-year service period were: (i) 115,329 for Mr. Snowden; (ii) 17,946 for Ms. Hendrix; (iii) 20,090 for Mr. George; and (iv) 16,943 for Mr. Rogers.

COMPENSATION TABLES AND ARRANGEMENTS

Outstanding Equity Awards at Fiscal Year End

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options: Exercisable (#)	Number of Securities Underlying Unexercised Options: Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units Held that Have Not Vested (#) [g]	Market Value of Shares or Units Held that Have Not Vested ($) [k]	Equity incentive plan awards: number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested ($)
Jay Snowden	219,222	—	14.10	1/4/2024	32,367[i]	961,300	12,965[l]	385,061
	105,769	—	30.74	1/3/2025	38,301[j]	1,137,540	76,886[l]	2,283,514
	117,153	39,050[a]	19.45	1/3/2029	—	—	300,000[n]	8,910,000
	774,530	258,176[b]	18.81	8/6/2029	—	—	600,000[o]	17,820,000
	22,410	67,229[d]	80.89	1/5/2031	—	—	—	—
	—	159,408[f]	50.64	1/4/2032	—	—	—	—
Felicia Hendrix	2,925	8,772[e]	117.82	2/23/2031	—	—	1,061[p]	31,512
	—	28,405[f]	50.64	1/4/2032	6,234[i]	185,150	2,497[l]	74,161
	—	—	—	—	5,960[j]	177,012	11,964[l]	355,331
Todd George	5,375	—[m]	14.10	1/4/2024	—	—	11,415[q]	339,026
	13,360	—	30.74	1/3/2025	19,275[h]	572,468	—	—
	19,053	6,351[a]	19.45	1/3/2029	19,275[h]	572,468	—	—
	30,531	30,530[c]	26.14	1/3/2030	6,954[i]	206,534	2,785[l]	82,715
	4,814	14,442[d]	80.89	1/5/2031	6,672[j]	198,158	13,393[l]	397,772
	—	31,798[f]	50.64	1/4/2032	—		—	—
Chris Rogers	7,074	—	14.10	1/4/2024	—	—	5,707[q]	169,498
	3,584	—	30.74	1/3/2025	7,414[h]	220,196	—	—
	18,218	6,072[a]	19.45	1/3/2029	5,515[i]	163,796	2,209[l]	65,607
	11,743	11,742[c]	26.14	1/3/2030	5,627[j]	167,122	11,295[l]	335,462
	3,818	11,454[d]	80.89	1/5/2031	—	—	—	—
	—	26,818[f]	50.64	1/4/2032	—	—	—	—

(a) The vesting date is January 3, 2023.

(b) The vesting date is August 6, 2023.

(c) The vesting dates are January 3, 2023 and January 3, 2024.

(d) The vesting dates are January 5, 2023, January 5, 2024, and January 5, 2025.

(e) The vesting dates are February 23, 2023, February 23, 2024, and February 23, 2025.

(f) The vesting dates are January 4, 2023, January 4, 2024, and January 4, 2026.

(g) The stock awards consist of performance awards, which were made under the performance share program adopted under the 2018 Long Term Incentive Compensation Plan.

(h) The vesting date shall be in the first quarter of 2023 following the certification of performance by the Compensation Committee or the Board of Directors, as applicable.

(i) The vesting date shall be in the first quarter of 2024 following the certification of performance by the Compensation Committee or the Board of Directors, as applicable.

(j) The vesting date shall be in the first quarter of 2025 following the certification of performance by the Compensation Committee or the Board of Directors, as applicable.

(k) Calculated based on the closing price of $29.70 for the Company's common stock on December 31, 2021, which was the last trading day of the Company's 2022 fiscal year.

(l) These amounts represent the target number of performance-based restricted stock and restricted stock units for the performance periods ending December 31, 2023, December 31, 2024, and December 31, 2025. The final number of shares or units earned, if any, will be based on the performance achieved for such periods.

(m) This option award consists of a Cash Settled Stock Appreciation Award.

(n) These awards make up the Stock Price Hurdle Award. A discussion of the Stock Price Hurdle Award may be found in our CD&A under "CEO Performance Based Supplemental Equity Awards."

(o) These awards make up the Relative TSR Hurdle Award. A discussion of the Relative TSR Hurdle Award may be found in our CD&A under "CEO Performance Based Supplemental Equity Awards."

(p) Time-based Restricted Stock Award which vests ratably on February 23, 2023.

(q) Cash settled time-based Restricted Stock Unit. The remaining units vest on September 22, 2023.

2022 Option Exercises and Stock Vested

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#) [(a)]	Value Realized on Vesting ($) [(b)]
Jay Snowden	**237,437**	**4,096,824**	**125,392**	**5,235,116**
Felica Hendrix	—	—	**1,061**	**48,955**
Todd George	—	—	**20,186**	**778,598**
Chris Rogers	—	—	**14,743**	**611,625**

(a) The number of shares acquired on vesting includes 62,696 restricted stock units, which were settled in cash, for Mr. Snowden; 9,989 restricted stock units, which were settled in cash, for Mr. George; and 4,994 restricted stock units, which were settled in cash, for Mr. Rogers.

(b) Value realized represents fair value, per share, as of the trading day immediately prior to the vesting date.

2022 Nonqualified Deferred Compensation

Name	Executive Contributions in Last Fiscal Year ($) [(a)]	Company Contributions in Last Fiscal Year ($) [(b)]	Aggregate Earnings in Last Fiscal Year ($) [(c)]	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last Fiscal Year End ($) [(d)]
Jay Snowden	**855,000**	**427,500**	**(763,097)**	**10,303**	**4,223,848**
Felicia Hendrix	**168,750**	**84,375**	**(39,372)**	**882**	**234,592**
Todd George	**582,738**	**97,123**	**(594,670)**	**2,308**	**2,983,532**
Chris Rogers	**184,044**	**76,685**	**(189,977)**	**1,830**	**907,370**

(a) For each executive, the executive's contribution is included in the executive's Salary column for 2022, as reported in the Summary Compensation Table.

(b) For each executive, the Company's contribution is included in the executive's All Other Compensation column for 2022, as reported in the Summary Compensation Table.

(c) Amounts reflect the change in account value during fiscal year 2022. No amounts are reported in the Summary Compensation Table because the earnings were not above market or preferential.

(d) The amount of each executive's aggregate balance at fiscal year-end that was reported as compensation in the Summary Compensation Table for previous years is as follows:

(i) Jay Snowden: 1,207,859; (ii) Felicia Hendrix: 109,375; (iii) Todd George: 133,243.

Deferred Compensation Plan

Pursuant to the Company's Deferred Compensation Plan, as amended, most management and certain other highly compensated employees selected by the committee administering the plan (the "Retirement Committee") may elect to defer, on a pre-tax basis, a percentage of his or her salary and/or bonus. The minimum annual deferrable amount is $3,000 and the maximum is 90% of his or her base annual salary and/or bonus. Deferral elections must be made before the beginning of the year in which compensation will be earned. The Company's contributions under the Deferred Compensation Plan in 2022 were equal to 50% of the participant's deferral for the first 10% of the salary and/or bonus deferred, subject to a maximum annual Company contribution equal to 5% of the participant's salary and/or bonus. With the Board of Directors' approval, the Company is also permitted to make discretionary contributions. Participants are always 100% vested in their own contributions, but Company contributions vest 20% per year of service with the Company. Therefore, employees with five or more years of service are fully vested in Company contributions under the Deferred Compensation Plan. However, for employees with less than five years of service, all Company contributions become immediately and fully vested upon death or disability, as defined in the Deferred Compensation Plan. The Retirement Committee may accelerate vesting of the Company's contributions if a participant terminates his or her employment because of disability or his or her involuntary termination of employment.

Subject to the exceptions discussed below, participants in the Deferred Compensation Plan, or their beneficiaries, receive distributions upon retirement, death or termination. Participants can elect to receive distributions following retirement or death in the form of a lump sum payment or payment in five or ten annual installments. Distributions following retirement can be deferred for at least five years. For purposes of the Deferred Compensation Plan, termination of employment as a result of a disability will be considered retirement.

Distributions following termination of employment other than as a result of retirement or death will be in the form of a lump sum payment. Participants can also elect to receive a scheduled distribution with respect to an annual deferral amount, which is payable in a lump sum at the beginning of a designated subsequent calendar year, subject to certain limitations. In the event of an unforeseeable financial emergency and with the approval of the Retirement Committee, a participant can suspend deferrals or receive a partial or full payout under the plan. Certain specified employees have a six-month delay imposed upon distributions pursuant to a separation from service, as required by the final Code section 409A regulations. In the event of a change in control, the Company will accelerate installment payments that are in pay status by paying the account balance in lump sum and will distribute the account balances of all active participants in a lump sum; provided, however, that no distributions (or accelerations of installments) will occur unless the transaction qualifies as a "change in control event" under Code section 409A.

Participants in the Deferred Compensation Plan may notionally invest deferred amounts, including Company contributions, in mutual funds selected by the Retirement Committee. Participants may change their investment elections at any time.

Potential Payments Upon Termination or Change in Control

The following tables describe and quantify the compensation that would become payable in the event of a termination of a named executive officer's employment under several different circumstances or a change in control. The amounts shown are estimates of amounts that would be paid to the named executive officers assuming that such termination or change in control was effective as of December 30, 2022, and include amounts earned through such time and are based (where applicable) on the closing price of the Company's common stock on such date, which was $29.70 per share. The actual amounts to be paid can only be determined at the time of such named executive officer's separation from the Company and/or change in control. For a description of the severance and change in control provisions giving rise to the payments set forth below, see pages 74 through 77 of this Proxy Statement. In establishing the appropriate payment and benefit levels, the Company evaluates the practices and levels set by companies in its peer group.

Post-Employment Payments—Jay Snowden

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Company ($)	Termination for Cause by Company ($)	Termination upon Death ($)	Termination upon Disability ($)	Change in Control ($)	Change in Control Termination without Cause ($)
Cash Severance Benefit [a]	—	12,600,000	—	12,600,000	12,600,000	—	15,750,000
Benefit Continuation [b]	—	37,599	—	37,599	37,599	—	37,599
Restricted Shares [c][d]	—	2,098,840	—	4,767,415	4,767,415	—	4,767,415
Unvested Stock Options [d]	—		—	3,211,799	3,211,799	—	3,211,799
Phantom Stock [c][d]	—	—	—	—	—	—	—
Vested Stock Options [e]	13,055,313	13,055,313	—	13,055,313	13,055,313	13,055,313	13,055,313
Vested Deferred Compensation Balance[f]	4,223,848	4,223,848	4,223,848	4,223,848	4,223,848	4,223,848	4,223,484
Total	**$17,279,161**	**$32,015,600**	**$4,223,848**	**$37,895,974**	**$37,895,974**	**$17,279,161**	**$41,045,973**

(a) In all cases of involuntary termination except (i) change in control termination without cause and (ii) termination for cause by Company, represents a payment equal to two times the sum of (a) annual base salary for 2022 and (b) target cash bonus for 2022. For change in control termination without cause, represents a payment equal to two and a half times the sum of (a) annual base salary for 2022 and (b) target cash bonus for 2022.

(b) Represents employer cost of medical, dental, vision coverage and life insurance premiums for a period of twenty four months should the Mr. Snowden elect COBRA coverage for these benefits based on his benefit elections in place on December 31, 2022.

(c) Restricted stock and phantom stock unit award values were computed based on the closing price of the Company's common stock on December 30, 2022 ($29.70 per share), which was the last trading day of 2022.

(d) Restrictions on unvested awards lapse upon death, disability, or a change in control or termination without cause.

(e) Amounts represent the difference between the exercise price of each named executive officer's options and the closing price of the Company's common stock on December 30, 2022 ($29.70 per share), which was the last trading day of 2022. Vested stock options issued under the 2008 Plan and 2018 Plan are cancelled when an executive is terminated for cause by the Company.

(f) Company contributions to the Deferred Compensation Plan vest 20% per year during the first five years of service. However, vesting is accelerated upon death, or disability or, at the option of the committee administering the Deferred Compensation Plan, involuntary termination.

Post-Employment Payments—Felicia Hendrix

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Company ($)	Termination for Cause by Company ($)	Termination upon Death ($)	Termination upon Disability ($)	Change in Control ($)	Change in Control Termination without Cause ($)
Cash Severance Benefit [(a)]	—	2,502,500	—	2,502,500	2,502,500	—	2,860,000
Benefit Continuation [(b)]	—	—	—	—	—	—	—
Restricted Shares [(c)(d)]	—	362,162	—	823,165	823,165	—	823,165
Unvested Stock Options [(d)]	—	—	—	—	—	—	—
Phantom Stock [(c)(d)]	—	—	—	—	—	—	—
Vested Stock Options [(e)]	—	—	—	—	—	—	—
Vested Deferred Compensation Balance [(f)]	234,592	234,592	234,592	292,762	234,592	292,762	292,762
Total	**$234,592**	**$3,099,254**	**$234,592**	**$3,618,427**	**$3,560,257**	**$292,762**	**$3,975,927**

(a) In all cases of involuntary termination except (i) change in control termination without cause and (ii) termination for cause by Company, represents a payment equal to the sum of (a) twenty four months of annual base salary for 2022 and (b) one and a half times the target cash bonus for 2022. For change in control termination without cause, represents a payment equal to two times the sum of (a) annual base salary for 2022 and (b) target cash bonus for 2022.

(b) Represents employer cost of medical, dental and vision coverage for a period of twenty four months should the Ms. Hendrix elect COBRA coverage for these benefits based on her benefit elections in place on December 31, 2022.

(c) Restricted stock and phantom stock unit award values were computed based on the closing price of the Company's common stock on December 30, 2022 ($29.70 per share), which was the last trading day of 2022.

(d) Restrictions on unvested awards lapse upon death, disability, or a change in control termination without cause.

(e) Amounts represent the difference between the exercise price of each named executive officer's options and the closing price of the Company's common stock on December 30, 2022 ($29.70 per share). Vested stock options issued under the 2008 Plan and 2018 Plan are cancelled when an executive is terminated for cause by the Company.

(f) Company contributions to the Deferred Compensation Plan vest 20% per year during the first five years of service. However, vesting is accelerated upon death, or disability or, at the option of the committee administering the Deferred Compensation Plan, involuntary termination.

Post-Employment Payments—Todd George

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Company ($)	Termination for Cause by Company ($)	Termination upon Death ($)	Termination upon Disability ($)	Change in Control ($)	Change in Control Termination without Cause ($)
Cash Severance Benefit [(a)]	—	3,150,000	—	3,150,000	3,150,000	—	3,600,000
Benefit Continuation [(b)]	—	21,644	—	21,644	21,644	—	21,644
Restricted Shares [(c)(d)]	—	977,151	—	1,457,638	1,457,638	—	1,457,638
Unvested Stock Options [(d)]	—	—	—	173,785	173,785	—	173,785
Phantom Stock [(c)(d)]	—	572,457	—	911,483	911,483	—	911,483
Vested Stock Options [(e)]	387,834	387,834	—	387,834	387,834	387,834	387,834
Vested Deferred Compensation Balance [(f)]	2,983,532	2,983,532	2,983,532	2,983,532	2,983,532	2,983,532	2,983,532
Total	$3,371,366	$8,092,618	$2,983,532	$9,085,916	$9,085,916	$3,371,366	$9,535,916

(a) In all cases of involuntary termination except (i) change in control termination without cause and (ii) termination for cause by Company, represents a payment equal to the sum of (a) two times annual base salary for 2022 and (b) one and one half times the target cash bonus for 2022. For change in control termination without cause, represents a payment equal to two times the sum of (a) annual base salary for 2022 and (b) target cash bonus for 2022.

(b) Represents employer cost of medical, dental and vision coverage for a period of twenty four months should the Mr. George elect COBRA coverage for these benefits based on his benefit elections in place on December 31, 2022.

(c) Restricted stock and phantom stock unit award values were computed based on the closing price of the Company's common stock on December 30, 2022 ($29.70 per share), which was the last trading day of 2022.

(d) Restrictions on unvested awards lapse upon death, disability, or a change in control or termination without cause.

(e) Amounts represent the difference between the exercise price of each named executive officer's options and the closing price of the Company's common stock on December 30, 2022 ($29.70 per share), which was the last trading day of 2022. Vested stock options issued under the 2008 Plan and 2018 Plan are cancelled when an executive is terminated for cause by the Company.

(f) Company contributions to the Deferred Compensation Plan vest 20% per year during the first five years of service. However, vesting is accelerated upon death or disability or, at the option of the committee administering the Deferred Compensation Plan, involuntary termination.

Post-Employment Payments—Chris Rogers

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Company ($)	Termination for Cause by Company ($)	Termination upon Death ($)	Termination upon Disability ($)	Change in Control ($)	Change in Control Termination without Cause ($)
Cash Severance Benefit [(a)]	—	2,187,753	—	2,187,753	2,187,753	—	2,700,000
Benefit Continuation [(b)]	—	14,373	—	14,373	14,373	—	14,373
Restricted Shares [(c)] [(d)]	—	551,101	—	952,170	952,170	—	952,170
Unvested Stock Options [(d)]	—	—	—	104,040	104,040	—	104,040
Phantom Stock [(c)] [(d)]	—	—	—	169,498	169,498	—	169,498
Vested Stock Options [(e)]	338,894	338,894	—	338,894	338,894	338,894	338,894
Vested Deferred Compensation Balance [(f)]	907,370	907,370	907,370	907,370	907,370	907,370	907,370
Total	**$1,246,264**	**$3,999,491**	**$907,370**	**$4,674,098**	**$4,674,098**	**$1,246,264**	**$5,186,345**

(a) In all cases of involuntary termination except (i) change in control termination without cause and (ii) termination for cause by Company, represents a payment equal to the sum of (a) eighteen months of annual base salary for 2022 and (b) one and a half times the average of the last two years bonuses paid. For change in control termination without cause, represents a payment equal to two times the sum of (a) annual base salary for 2022 and (b) target cash bonus for 2022.

(b) Represents employer cost of medical, dental and vision coverage for a period of eighteen months should the Mr. Rogers elect COBRA coverage for these benefits based on his benefit elections in place on December 31, 2022.

(c) Restricted stock and phantom stock unit award values were computed based on the closing price of the Company's common stock on December 30, 2022 ($29.70 per share), which was the last trading day of 2022.

(d) Restrictions on unvested awards lapse upon death, disability, or a change in control or termination without cause.

(e) Amounts represent the difference between the exercise price of each named executive officer's options and the closing price of the Company's common stock on December 30, 2022 ($29.70 per share), which was the last trading day of 2022. Vested stock options issued under the 2008 Plan and 2018 Plan are cancelled when an executive is terminated for cause by the Company.

(f) Company contributions to the Deferred Compensation Plan vest 20% per year during the first five years of service. However, vesting is accelerated upon death or disability or, at the option of the committee administering the Deferred Compensation Plan, involuntary termination.

Employment, Retirement and Separation Agreements

The Company has entered into employment, retirement and separation agreements with its executive officers, including Mr. Snowden, Ms. Hendrix, Mr. George and Mr. Rogers. None of the employment agreements contain single trigger change in control. The Company determined to enter into these agreements in recognition of the continuing need to attract and retain experienced, proven executives (particularly in light of the increased competition for talent in its industry) and to protect the Company from certain competitive risk. The Compensation Committee plans to continue to evaluate whether and in what form to utilize severance or employment agreements in the future. For key employees with whom the Company does not seek to have severance or employment agreements, the Company has designed other policies and programs for attracting and retaining talented individuals.

Summary of Key Terms

The summary below reflects the Executive Agreements entered into between the Company and Messrs. Snowden and George as of November 2, 2022.

Term. The term of each employment agreement is for three years. Messrs. Snowden's and George's employment agreements expires on January 1, 2026. The Company believes that the length of each employment term represents a reasonable period for which the Company and the executive will mutually commit to maintaining the employment relationship. For the executive, this provides a reasonable but limited assurance of job security designed to foster an environment of entrepreneurial risk taking where the executive can focus on building long-term shareholder value.

COMPENSATION TABLES AND ARRANGEMENTS

Termination and Restrictive Covenants. For Messrs. Snowden and George, the Company offers certain additional payments to its executive officers if the Company elects to terminate the executive's employment without "cause." Such termination payments are not available to the executive if the executive resigns (unless such executive has good reason) or if the executive is terminated for "cause." All termination payments are expressly conditioned on the executive providing a written release of all liabilities to the Company and the executive's agreement to comply with the restrictive covenants described below for the time period for which such payments are made.

Each employment agreement contains a comprehensive set of restrictive covenants designed to provide the Company with a reasonable degree of protection with regards to its strategic plans, intellectual property and human capital. Generally, each employment agreement contains prohibitions on (i) competition with the Company within 150 miles of any facility in which the Company or its affiliates owns or operates or is actively seeking to own or operate a facility for a period of twelve months following termination if Messrs. Snowden or George are terminated for "cause" or a period of twenty-four months following termination if Messrs. Snowden or George are terminated without "cause" or by the executive for "good reason", (ii) solicitation of any person who is, or was within a six month period prior to such solicitation, an executive or management (or higher) level employee of the Company or any of its affiliates for a period of 18 months following termination, and (iii) disclosure and use of any of the Company's confidential information. The Board selected the time periods for which each executive is bound by these restrictive covenants based on its determination about the extent to which such individual's tenure and knowledge of the Company could be used to adversely impact the Company's strategic plans, intellectual property or human capital.

The additional payments following termination without "cause" or by the executive for "good reason" consist of a cash payment equal to (i) in the case of Mr. George, 2 multiplied by the sum of base salary plus1.5 multiplied by the target bonus on the date of termination, and, in the case of Mr. Snowden, 2 multiplied by the sum of base salary plus 2 multiplied by the target bonus on the date of termination, plus (ii) an annual bonus based on actual performance for the fiscal year in which the termination occurs, pro-rated to cover the portion of the fiscal year through the termination date. The amounts were selected based on the rationale that the Company was willing to continue to pay each executive an amount reflecting the foregone compensation over the period that the Company desired the executive to remain subject to the restrictive covenants. In addition, the Company will reimburse the executive for the full cost of purchasing COBRA health insurance coverage during the Severance Period.

Change in Control. The Company has a "double trigger" change in control provision in its severance and employment agreements. In the event of a termination by the Company without cause or the named executive officer resigns for good reason within 24 months following a change in control, each executive is entitled to receive a cash payment equal to (i), in the case of Mr. George, 2, and, in the case of Mr. Snowden, 2.5, multiplied by the sum of (a) his base salary and (b) the amount of his targeted bonus compensation, each at a rate in effect at the time of the change in control or the termination date, whichever is greater, plus (ii) an annual bonus for the fiscal year in which the termination occurs, pro-rated to cover the portion of the fiscal year through the termination date based on the greater of the target bonus in effect at the time of the change in control or the termination date. To the extent that an executive receives a change in control payment, such executive will not be eligible to receive any additional cash severance in the event of a termination of employment during the employment term. The Company's employment agreements do not provide for tax indemnification if a change in control or termination payment results in a parachute excise tax.

Summary of Key Terms

The summary below reflects the Executive Agreements entered into between the Company and Ms. Hendrix and Mr. Rogers as of December 30, 2020, and March 10, 2022, respectively.

Term. The term of each employment agreement is for three years. Ms. Hendrix's employment agreement expires on February 22, 2024, and Mr. Rogers' employment agreement expires on June 30, 2025. The Company believes that the length of each employment term represents a reasonable period for which the Company and the executive will mutually commit to maintain the employment relationship, and the terms are intentionally staggered to provide stability and predictability among its leadership ranks. For the executive, this provides a reasonable but limited assurance of job security designed to foster an environment of entrepreneurial risk taking where the executive can focus on building long-term shareholder value.

COMPENSATION TABLES AND ARRANGEMENTS

Termination and Restrictive Covenants. For Ms. Hendrix and Mr. Rogers, the Company offers certain additional payments to its executive officers if the Company elects to terminate the executive's employment without "cause." Such termination payments are not available to the executive if the executive resigns (regardless of whether or not such executive has good reason) or if the executive is terminated for "cause." All termination payments are expressly conditioned on the executive providing a written release of all liabilities to the Company and the executive's agreement to comply with the restrictive covenants described below for the time period for which such payments are made.

Each employment agreement contains a comprehensive set of restrictive covenants designed to provide the Company with a reasonable degree of protection with regards to its strategic plans, intellectual property and human capital. Generally, each employment agreement contains prohibitions on (i) competition with the Company within 150 miles of any facility in which the Company or its affiliates owns or operates or is actively seeking to own or operate a facility for a period of twelve months following termination if terminated for "cause" or for the duration of the applicable Severance Period, as defined below, if terminated without "cause", (ii) solicitation of any person who is, or was within a six month period prior to such solicitation, an executive or management (or higher) level employee of the Company or any of its affiliates for a period of 18 months following termination, and (iii) disclosure and use of any of the Company's confidential information. The Board selected the time periods for which each executive is bound by these restrictive covenants based on its determination about the extent to which such individual's tenure and knowledge of the Company could be used to adversely impact the Company's strategic plans, intellectual property or human capital.

The additional payments following termination without "cause" consist of a cash payment equal to (i) either eighteen (18) months, in the case of Mr. Rogers, or twenty four (24) months, in the case of Ms. Hendrix (the "Severance Period"), of the greater of executive's base salary in effect as of the termination date, paid in accordance with the Company's regular payroll procedures, plus (ii) 1.5 multiplied by the targeted amount of an annual cash bonus at the rate in effect on the termination date, paid at the time such bonuses are paid to similarly situated employees. The amounts were selected based on the rationale that the Company was willing to continue to pay each executive an amount reflecting the foregone compensation over the period that the Company desired the executive to remain subject to the restrictive covenants. In addition, the Company will reimburse the executive for the full cost of purchasing COBRA health insurance coverage during the Severance Period, if applicable.

Change in Control. In the event that the Company announces that it has signed a definitive agreement with respect to a Change of Control or any potential acquirer has publicly announced its intent to consummate a Change of Control with respect to the Company, and if, during the period after the public announcement and immediately preceding the date such transaction is consummated or terminated, the Company terminates employment without cause, Ms. Hendrix and Mr. Rogers will be entitled to a lump sum equal to the excess, if any of (i) two times the targeted amount of annual cash bonus at the rate in effect on the termination date, over (ii) 1.5 multiplied by the targeted amount of an annual cash bonus at the rate in effect on the termination date. The Company has a "double trigger" change in control provision in its severance and employment agreements. In the event of a termination by the Company without cause or the named executive officer resigns for good reason within 12 months following a change in control, each such executive is entitled to receive a cash payment equal to two times the sum of (i) his base salary and (ii) the amount of his targeted bonus compensation, each at a rate in effect at the time of the change in control or the termination date, whichever is greater. To the extent that an executive receives a change in control payment, such executive will not be eligible to receive any additional cash severance in the event of a termination of employment during the employment term. The Company's employment agreements do not provide for tax indemnification if a change in control or termination payment results in a parachute excise tax.

Each of the named executive officer's annual compensation is reviewed annually and established by the Compensation Committee as described on pages 32 through 33 of this Proxy Statement. For purposes of the potential termination and change in control payments described in this Proxy Statement, the terms set forth below have the meanings ascribed to them:

"Change in Control" – a "change in control" is defined as the occurrence of one or more of the following events: (i) a person, entity or group becomes the beneficial owner of shares representing 50% or more of (a) the Company's outstanding shares or (b) the combined voting power of the then outstanding voting securities of the Company entitled to vote in the election of directors, except when such beneficial ownership is due to an acquisition directly from or by the Company or a Company employee benefit

plan or pursuant to a consolidation, merger or share exchange reorganization between the Company and another entity described below; (ii) the shareholders of the Company approve any plan or proposal for the complete liquidation or dissolution of the Company; (iii) the Company consummates a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another entity, unless, following such transaction, (a) all or substantially all of the beneficial owners immediately prior to such transaction still beneficially own more than 50% of the Company's outstanding shares, (b) no person beneficially owns 20% or more of the Company's outstanding shares who did not own such amount prior to the transaction and (c) at least a majority of the directors are continuing directors; or (iv) any time continuing directors do not constitute a majority of the Board.

"Good Reason" – an executive officer has "good reason" if (a) such officer is assigned to duties inconsistent with his position or authority, (b) such officer's compensation is reduced or there is a substantial reduction in benefits taken as a whole, (c) such officer's travel requirements are materially increased, (d) such officer's office is relocated greater than 50 miles from such officer's then current office or (e) such officer's employment agreement is materially breached by the Company.

"Cause" – the Company has "cause" if the executive officer (a) is convicted of a felony or any misdemeanor involving allegations of fraud, dishonesty or physical harm, (b) is found disqualified or not suitable to hold a casino or other gaming license by a governmental gaming authority in any jurisdiction where such executive is required to be found qualified, suitable or licensed, (c) materially breaches the employment or severance agreement or any material Company policy, (d) misappropriates corporate funds as determined in good faith by the Audit Committee of the Board, (e) is determined by the Company to have failed to perform his or her duties with the Company or repeated insubordination or (f) is determined by the Company to have willfully engaged in illegal conduct or gross misconduct which is materially injurious to the Company or one of its affiliates.

CEO Pay Ratio

Pursuant to SEC rules, we are required to disclose in this Proxy Statement the ratio of the annual total compensation of Mr. Snowden, our Chief Executive Officer and President, to the median of the annual total compensation of all of our employees (excluding Mr. Snowden). We determined that Mr. Snowden's 2022 annual total compensation was $14,075,614, the median of the 2022 annual total compensation of all of our employees (excluding Mr. Snowden) was $38,363, and the ratio of these amounts was 367 to 1. The Company believes that the foregoing ratio is a reasonable estimate determined in accordance with SEC rules.

Under the SEC rules, companies may identify the median annual total compensation using a wide variety of methods including reasonable assumptions and estimations. It is therefore difficult to compare our ratio to the ratio of other companies. We identified our median employee using payroll compensation consistent with what is reported on each employee's W-2, Box 1 or equivalent taxable wages as of October 31, 2022 for all individuals, excluding our Chief Executive Officer and President, who were employed by us on such date. We measured total annual compensation based on all pay periods between November 1, 2021 and October 31, 2022. We did not make any assumptions or estimates with respect to total annual compensation. As of October 31, 2022, we had a total of 21,924 employees, excluding our Chief Executive Officer. We did not exclude any of our non-U.S. employees from this determination. We selected the median employee from that group for purposes of preparing the ratio of Chief Executive Officer pay to median employee pay. We then calculated the compensation for our median employee based upon the same components of compensation used to determine Mr. Snowden's pay for purposes of Summary Compensation Table disclosure.

Equity Compensation Plan Information

The following table summarizes certain information with respect to the Company's compensation plans and individual compensation arrangements under which the Company's equity securities have been authorized for issuance as of the fiscal year ended December 31, 2022:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted average exercise price of outstanding options, warrants and rights ($)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders	**3,018,580**[(1)]	**$29.00**	**6,345,906**[(2)]
Equity compensation plans not approved by shareholders [(3)]	**252,183**	**$14.58**	**251,825**

(1) Includes 636,812 shares issuable at maximum in connection with performance-based restricted stock awards granted under performance share plans adopted under the 2022 Plan; 600,000 restricted stock units and 300,000 restricted stock awards with market-based and service-based vesting conditions solely to the Company's Chief Executive Officer and 102,422 restricted units with performance-based vesting conditions that are dependent on the achievement of certain milestones. The weighted-average exercise price in column (b) does not take these awards into account.

(2) The 2022 Plan provides that, while awards of stock options, stock appreciation rights, and awards of restricted stock, or shares issued pursuant to any other full value awards are counted as one share of common stock granted under such plan, for purposes of determining the number of shares available for issuance under such plan. Awards that are settled in cash rather than shares of stock are not counted against the limit in the 2022 Plan.

(3) In connection with our October 19, 2021 acquisition of theScore, we assumed the Score Media and Gaming Inc. Second Amended and Restated Stock Option and Restricted Stock Unit Plan (the "Score Media Plan"). Upon the assumption of the Score Media Plan, the remaining share reserve thereunder was converted into a share reserve relating to shares of Company common stock based on the equity award exchange ratio applicable to outstanding equity awards of theScore. The Score Media Plan was approved by the Score Media and Gaming Inc. security holders prior to the acquisition but has not been approved by our shareholders. The Score Media Plan permits grants of stock options and restricted share units to directors, officers, employees of theScore at the time of the acquisition ("eligible persons") (or wholly-owned corporations of such eligible persons). Upon approval of the 2022 Long-Term Incentive Compensation Plan, no future awards will be granted under the Score Media Plan.

PAY VERSUS PERFORMANCE

Pay Versus Performance

As required by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(v) of Regulation S-K, we are providing the following information about the relationship between executive compensation actually paid and certain financial performance of the Company. For further information concerning the Company's variable pay-for-performance philosophy and how the Company's aligns executive compensation with the Company's performance, refer to "Executive Compensation—Compensation Discussion and Analysis" on page 48.

					Value of Initial Fixed $100 Investment Based On:			
Fiscal Year	Summary compensation Table Total for PEO[1]	Compensation Actually Paid to PEO[2]	Average Summary Compensation Table Total for non-PEO NEOs[3]	Average Compensation Actually Paid to non-PEO NEOs[4]	Total Shareholder Return[5]	Peer Group Total Shareholder Return[6]	Net Income ($M)[7]	Adjusted EBITDAR ($M)[8]
2022	$14,075,614	($10,073,072)	$3,105,185	$1,412,413	$116.20	$83.74	$221.7	$1,939.4
2021	$65,887,214	$7,961,396	$3,440,477	$2,027,447	$202.86	$112.19	$420.5	$1,994.4
2020	$3,898,655	$75,499,569	$3,232,591	$13,492,467	$337.91	$113.89	($669.1)	$1,094.8

1 *The dollar amounts reported are the amounts of total compensation reported for Mr. Snowden (our Principal Executive Officer) for each corresponding year in the "Total" column of the Summary Compensation Table. Refer to "Executive Compensation—Compensation Tables and Arrangements—2022 Summary Compensation Table."*

2 *The dollar amounts reported represent the amount of "compensation actually paid" to Mr. Snowden, as computed in accordance with Item 402(v) of Regulation S-K. The dollar amounts do not reflect the actual amount of compensation earned by or paid to Mr. Snowden during the applicable year. In accordance with the requirements of Item 402(v) of Regulation S-K, the following "Compensation Actually Paid Calculation" table displays the adjustments made to Mr. Snowden's total compensation for each year to determine the compensation actually paid.*

3 *The dollar amounts reported represent the average of the amounts reported for the Company's named executive officers (NEOs) as a group (excluding Mr. Snowden) in the "Total" column of the Summary Compensation Table in each applicable year. The names of each of the NEOs (excluding Mr. Snowden) included for purposes of calculating the average amounts in each applicable year are as follows: (i) for 2022, Felicia Hendrix, Todd George and Chris Rogers; (ii) for 2021, Felicia Hendrix, Todd George and Harper Ko; and (iii) for 2020, David Williams, William J. Fair and Carl Sottosanti.*

4 *The dollar amounts reported represent the average amount of "compensation actually paid" to the NEOs as a group (excluding Mr. Snowden), as computed in accordance with Item 402(v) of Regulation S-K. The dollar amounts do not reflect the actual average amount of compensation earned by or paid to the NEOs as a group (excluding Mr. Snowden) during the applicable year. In accordance with the requirements of Item 402(v) of Regulation S-K, the following "Compensation Actually Paid Calculation" table displays the adjustments made to average total compensation for the NEOs as a group (excluding Mr. Snowden) for each year to determine the average compensation actually paid to the NEOs as a group (excluding Mr. Snowden).*

5 *Cumulative TSR is calculated by dividing the sum of the cumulative amount of dividends for the measurement period, assuming dividend reinvestment, and the difference between the Company's share price at the end and the beginning of the measurement period by the Company's share price at the beginning of the measurement period.*

6 *Represents the weighted peer group TSR, weighted according to the respective companies' stock market capitalization at the beginning of each period for which a return is indicated. The peer group used for this purpose is the following published industry index: Russell 3000 Casino and Gambling Index.*

7 *The dollar amounts reported represent the amount of net income (loss) reflected in the Company's audited financial statements for the applicable year.*

8 *The Company believes Adjusted EBITDAR is the financial performance measure most closely linked to the calculation of compensation actually paid. Adjusted EBITDAR is a non-GAAP financial measure. For a definition and reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure, see the section entitled "Non-GAAP Financial Measures" on pages 44-46 of our 2022 Annual Report.*

PAY VERSUS PERFORMANCE

Compensation Actually Paid Calculation

	PEO			NEO Average		
	2022	2021	2020	2022	2021	2020
Summary Compensation Table Total	$14,075,614	$65,887,214	$ 3,898,655	$ 3,105,185	$3,440,477	$ 3,232,591
Less: Reported Fair Value of Equity Awards[a]	$ 6,961,325	$57,104,584	$ 2,431,391	$1,470,912	$1,645,208	$ 1,699,259
Add: Year End Fair Value of Equity Awards[b]	$ 5,919,253	$22,335,085	$ 3,668,075	$1,016,402	$ 1,231,271	$ 5,549,713
Add: Change in Fair Value of Outstanding and Unvested Equity Awards[b]	($18,419,902)	($20,839,582)	$ 64,271,366	($1,066,153)	($ 1,020,003)	$ 6,437,966
Add: Fair Value as of Vesting Date of Equity Awards Granted and Vested in the Year[b]	—	—	—	—	—	—
Add: Change in Fair Value of Equity Awards Granted in Prior Years that Vested in the Year[b]	($ 4,686,713)	($ 2,316,737)	$ 6,092,864	($ 172,109)	$ 20,909	$ (28,544)
Less: Fair Value at the End of the Prior Year of Equity Awards that Failed to Meet Vesting Conditions in the Year[b]	—	—	—	—	—	—
Add: Value of Dividends or other Earnings Paid on Stock or Option Awards not Otherwise Reflected in Fair Value or Total Compensation[b]	—	—	—	—	—	—
Compensation Actually Paid[c]	($10,073,072)	$ 7,961,396	$75,499,569	$ 1,412,413	$2,027,447	$13,492,467

(a) *The grant date fair value of equity awards represents the total of the amounts reported in the "Stock Awards" and "Option Awards" columns in the Summary Compensation Table for the applicable year.*

(b) *The equity award adjustments for each applicable year include the addition (or subtraction, as applicable) of the following: (i) the year-end fair value of any equity awards granted in the applicable year that are outstanding and unvested as of the end of the year; (ii) the amount of change as of the end of the applicable year (from the end of the prior fiscal year) in fair value of any awards granted in prior years that are outstanding and unvested as of the end of the applicable year; (iii) for awards that are granted and vest in the same applicable year, the fair value as of the vesting date; (iv) for awards granted in prior years that vest in the applicable year, the amount equal to the change as of the vesting date (from the end of the prior fiscal year) in fair value; (v) for awards granted in prior years that are determined to fail to meet the applicable vesting conditions during the applicable year, a deduction for the amount equal to the fair value at the end of the prior fiscal year; and (vi) the dollar value of any dividends or other earnings paid on stock or option awards in the applicable year prior to the vesting date that are not otherwise reflected in the fair value of such award or included in any other component of total compensation for the applicable year. The valuation assumptions used to calculate fair values did not materially differ from those disclosed at the time of grant.*

(c) *The Company does not maintain any defined benefit pension programs for its executives.*

PAY VERSUS PERFORMANCE

Financial Performance Measures

As described in greater detail in "Executive Compensation—Compensation Discussion and Analysis," the Company's executive compensation program reflects a variable pay-for-performance philosophy. The measures that the Company uses for both our long-term and short-term incentive awards are selected based on the objective of incentivizing our NEOs to increase the value of our enterprise for our shareholders. We believe Adjusted EBITDAR is the most meaningful critical indicator of the Company's growth and financial health. Therefore, as described above, Adjusted EBITDAR is a key component of our incentive plan design. Because the other important metrics that the Company considers are operationally-based and in furtherance of our long-term strategy (e.g. omni-channel growth, iCasino market share attainment, Ontario launch and market share, and ESG goals), Adjusted EBITDAR is the only financial measure used to link "compensation actually paid" to our NEOs to company performance for the most recently completed fiscal year.

- Adjusted EBITDAR, including both Company Adjusted EBITDAR and Retail Adjusted EBITDAR

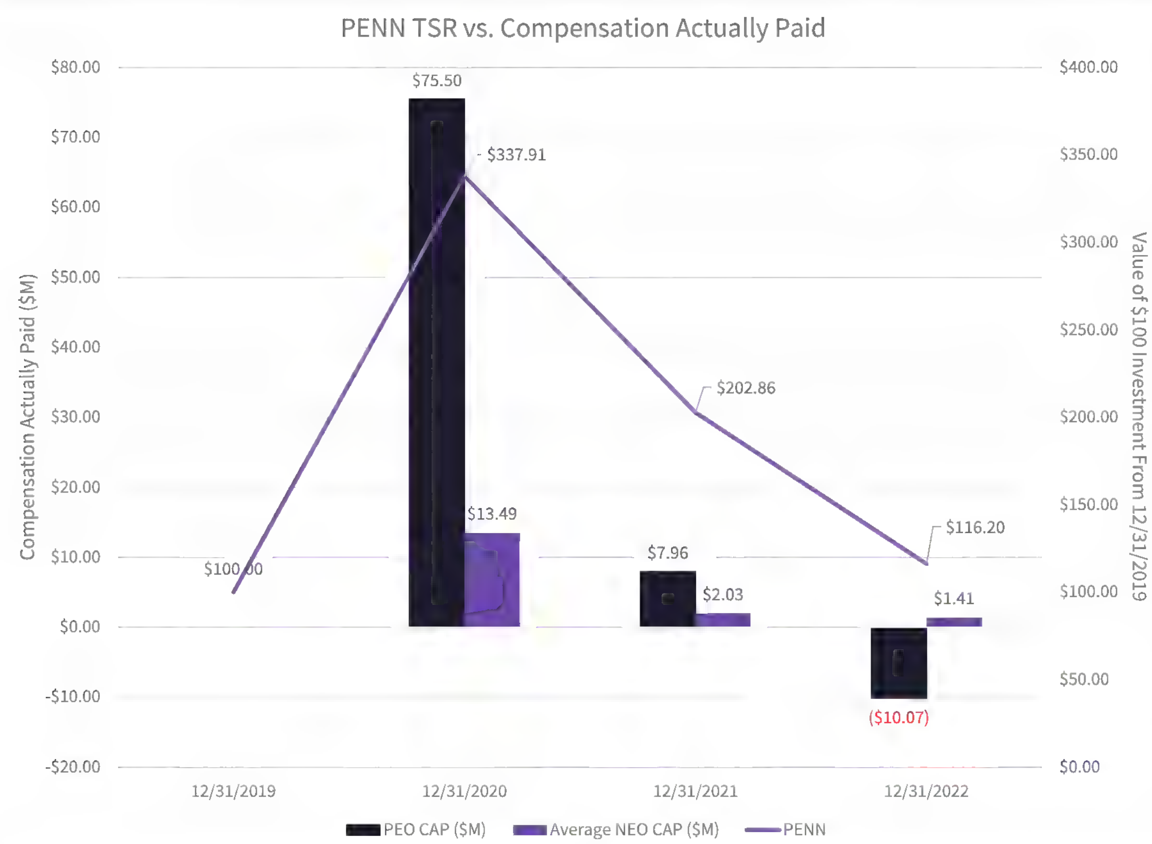
Analysis of the Information Presented in the Pay versus Performance Table

While the Company utilizes several non-financial performance measures to align executive compensation with Company performance, all of those Company measures are not presented in the Pay versus Performance table. Moreover, the Company generally seeks to incentivize long-term performance, and therefore does not specifically align the Company's performance measures with compensation that is actually paid (as computed in accordance with Item 402(v) of Regulation S-K) for a particular year. In accordance with Item 402(v) of Regulation S-K, the Company is providing the following descriptions of the relationships between information presented in the Pay versus Performance table.

PAY VERSUS PERFORMANCE

Compensation Actually Paid and Cumulative TSR

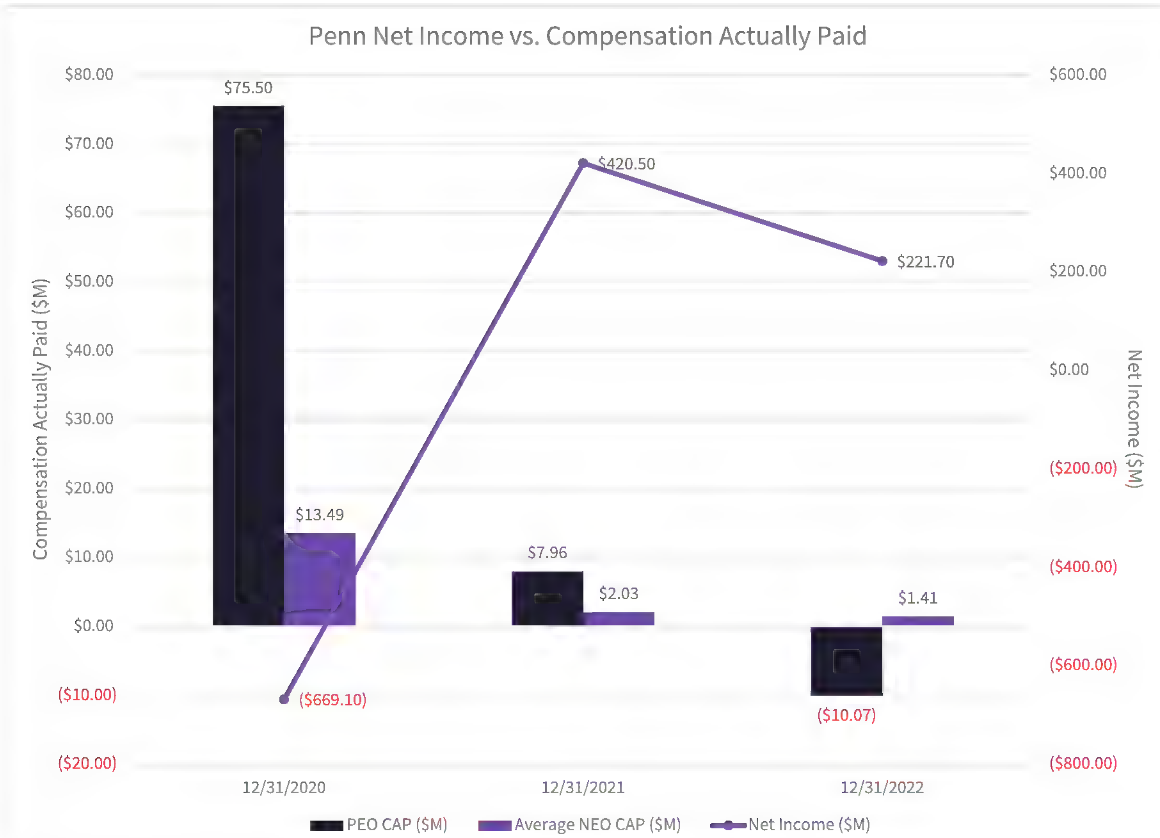
As demonstrated by the following graph, the amount of compensation actually paid to Mr. Snowden and the average amount of compensation actually paid to the Company's NEOs as a group (excluding Mr. Snowden) is aligned with the Company's cumulative TSR over the three years presented in the table. The alignment of compensation actually paid with the Company's cumulative TSR over the period presented is because a significant portion of the compensation actually paid to Mr. Snowden and to the other NEOs is comprised of equity awards. As described in more detail in the section "Compensation Discussion and Analysis," in 2022, 89% of our Chief Executive Officer's total target compensation, and 77%% (on average) of our other NEOs' total target compensation was variable and at risk, subject to achievement of pre-set performance goals or tied to our long-term stock price performance.



PAY VERSUS PERFORMANCE

Compensation Actually Paid and Net Income

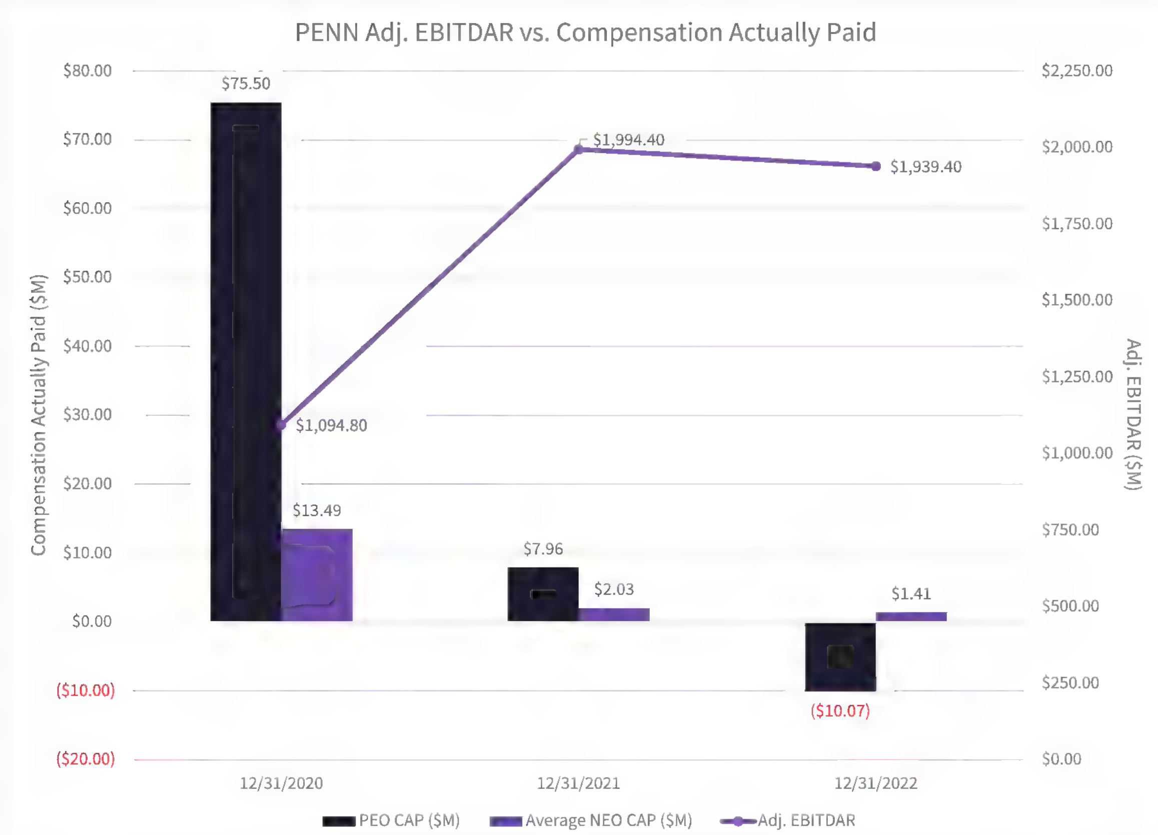
As demonstrated by the following table, the amount of compensation actually paid to Mr. Snowden and the average amount of compensation actually paid to the Company's NEOs as a group (excluding Mr. Snowden) is generally aligned with the Company's net income over the three years presented in the table. While the Company does not use net income as a performance measure in the overall executive compensation program, the measure of net income is correlated with the measure Adjusted EBITDAR, which the company does use for when setting goals in the Company's STIP and LTIP. As described in more detail in the section "Compensation Discussion and Analysis," in 2022, 89% of our Chief Executive Officer's total target compensation, and 77% (on average) of our other NEOs' total target compensation was variable and at risk, subject to achievement of pre-set performance goals or tied to our long-term stock price performance.



PAY VERSUS PERFORMANCE

Compensation Actually Paid and Adjusted EBITDAR

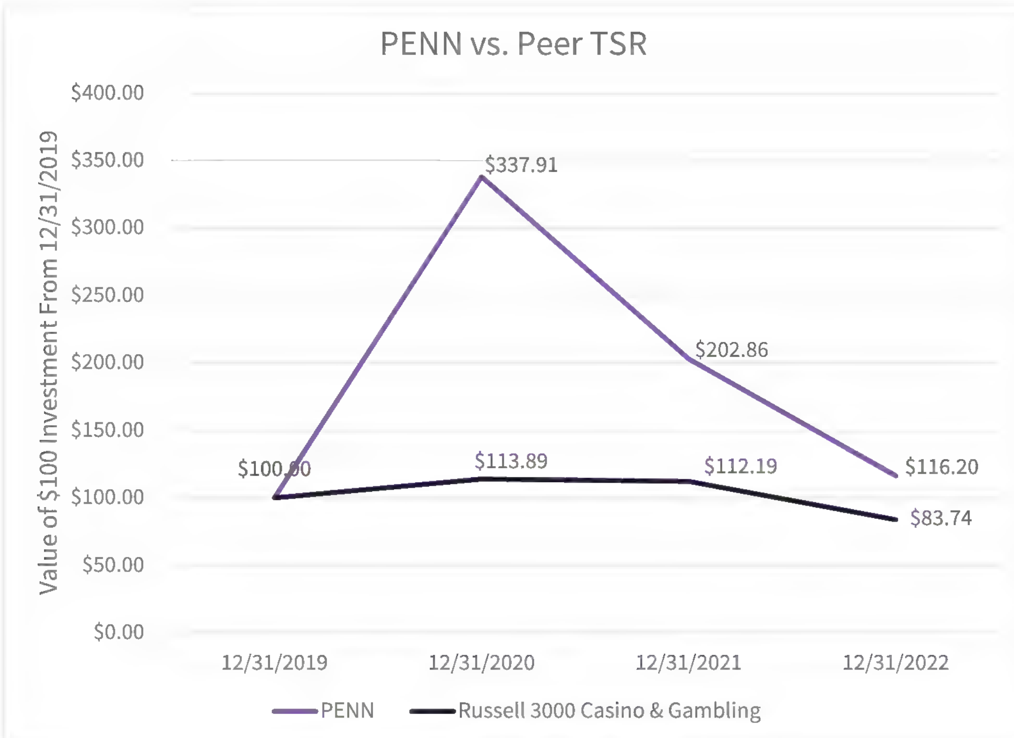
As demonstrated by the following graph, the amount of compensation actually paid to Mr. Snowden and the average amount of compensation actually paid to the Company's NEOs as a group (excluding Mr. Snowden) is generally aligned with the Company's Adjusted EBITDAR over the three years presented in the table. While the Company uses numerous measures, both financial and non-financial, for the purpose of evaluating performance for the Company's compensation programs, the Company has determined that Adjusted EBITDAR is the financial performance measure that, in the Company's assessment, represents the most important performance measure (that is not otherwise required to be disclosed in the table) used by the Company to link compensation actually paid to the company's NEOs, for the most recently completed fiscal year, to Company performance. The Company utilizes Adjusted EBITDAR when setting goals for the Company's annual incentives to the NEOs under the Company's incentive plan.



PAY VERSUS PERFORMANCE

Cumulative TSR of the Company and Cumulative TSR of the Peer Group

As demonstrated by the following graph, the Company's cumulative TSR over the three-year period presented in the table was 16.20%, while the cumulative TSR of the peer group presented for this purpose over the same three-year period, the Russell 3000 Casino & Gambling Index, was -16.26%. The Company's cumulative TSR consistently outperformed the Russell 3000 Casino & Gambling Index during the three years presented in the table, representing the Company's superior financial performance as compared to the companies comprising the Russell 3000 Casino & Gambling Index. For more information regarding the Company's performance and the companies that the Compensation Committee considers when determining compensation, refer to "Compensation Discussion and Analysis."



PROPOSAL 3:

ADVISORY VOTE TO APPROVE THE COMPENSATION OF NAMED EXECUTIVE OFFICERS

Introduction

We are asking shareholders to approve, on a nonbinding, advisory basis, the compensation paid to our named executive officers as reported in this Proxy Statement (commonly referred to as "say-on-pay").

We encourage shareholders to read the Compensation Discussion and Analysis (CD&A) section of this Proxy Statement, which describes how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and other related compensation tables and narrative, which provide detailed information on the compensation of our named executive officers. We believe shareholders should approve the Company's compensation program because it is appropriate in the context of industry standards and is heavily weighted towards performance-based compensation that aligns executive compensation with the long-term strategic plans of the Company and shareholder interests. As more specifically described in the CD&A, the Committee believes the compensation paid to Mr. Snowden, the Company's Chief Executive Officer in 2022, is reasonable and appropriate in light of the Company's scale, objectives, achievements and performance.

The Board has adopted a policy providing for an annual say-on-pay advisory vote. In accordance with this policy and Section 14A of the Exchange Act and as a matter of good corporate governance, we are asking shareholders to approve, on a non-binding, advisory basis, the following resolution at the Annual Meeting:

> "RESOLVED, that the shareholders of the Company approve, on an advisory basis, the compensation of the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the compensation tables and the accompanying narrative disclosure included in the Company's Proxy Statement for the 2023 Annual Meeting of Shareholders."

This advisory say-on-pay resolution is non-binding on the Board of Directors. Although non-binding, the Board and the Compensation Committee will review and consider the voting results when making future decisions regarding our executive compensation program. Unless the Board modifies its policy on the frequency of future say-on-pay advisory votes, the next say-on-pay advisory vote will be held at the 2024 Annual Meeting of Shareholders.

Vote Required

The affirmative vote of a majority of the votes cast is required for approval (on a non-binding, advisory basis) of this proposal. For purposes of the vote on this proposal, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ADVISORY APPROVAL OF THE NAMED EXECUTIVE OFFICER COMPENSATION.

PROPOSAL 4:

ADVISORY VOTE ON THE FREQUENCY OF THE SHAREHOLDER ADVISORY VOTE TO APPROVE COMPENSATION PAID TO THE COMPANY'S NAMED EXECUTIVE OFFICERS

In addition to requiring an advisory vote to approve the compensation of the Company's named executive officers, the Dodd-Frank Act and Section 14A of the Exchange Act also require us to include in our proxy statement this year a separate, non-binding advisory vote regarding whether the non-binding advisory vote on executive compensation should be held every one, two or three years. Accordingly, the Company is presenting this proposal, which gives you the opportunity to inform the Company as to how often you think the Company should include a say-on-pay proposal, similar to Proposal No. 3 , in our proxy statement. This vote is advisory, meaning it is non-binding and the Board may decide to hold an advisory vote on executive compensation more or less frequently than the option approved by our shareholders.

The Board recognizes that there are a variety of views and opinions as to the appropriate frequency for shareholders to vote to approve the compensation provided to the Company's named executive officers. We believe that our executive compensation programs are carefully structured to provide for predominantly performance-based compensation and that the actual amounts paid are reasonable and consistent with the market and the Company's performance. Currently, the Board has adopted a policy providing for an annual say-on-pay advisory vote, which we believe allows our shareholders to provide us with regular and timely feedback on these important programs.

Vote Required

You have four choices for voting on this proposal – ONE YEAR, TWO YEARS, THREE YEARS or ABSTAIN. The frequency that receives the greatest number of votes cast will be considered the preferred frequency of our shareholders, on a non-binding advisory basis. For purposes of the vote on this proposal, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE FREQUENCY OF "ONE YEAR" FOR HOLDING AN ADVISORY VOTE TO APPROVE THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS.

PROPOSAL 5:

APPROVAL OF THE AMENDMENT TO OUR 2022 LONG-TERM INCENTIVE COMPENSATION PLAN TO INCREASE THE NUMBER OF AUTHORIZED SHARES

We are asking shareholders to approve an amendment to the Penn National Gaming, Inc. 2022 Long Term Incentive Compensation Plan (the "2022 Plan") to increase the number of shares reserved for issuance thereunder by **7,000,000** shares. On **April 20, 2023,** the Board of Directors approved the addition of 7,000,000 shares to the 2022 Plan, subject to approval by the shareholders.

As described in more detail in the Compensation Discussion and Analysis beginning on page 48 of this Proxy Statement, we believe that the award of equity compensation is a critical component of the Company's compensation program. Our equity compensation program has encouraged strong shareholder alignment and has been an integral component in the substantial increase in shareholder value generated by the Company over the last decade.

As of the Record Date, **3,252,054** shares have been issued to employees since the adoption of the 2022 Plan and **3,857,034** shares remained available for issuance. Assuming approval of the amendment to the 2022 Plan at the Annual Meeting, the total number of shares remaining available to be issued under the 2022 Plan would be **10,857,034** shares. Based on current and projected usage, we currently expect that the increased share reserve would meet the anticipated needs under the 2022 Plan for a period of approximately 2 years.

Based on the number of shares issued under the 2022 Plan during recent offering periods, the Board of Directors believes that the shares remaining in the 2022 Plan are insufficient to meet the estimated participation levels for upcoming offering periods unless more shares are added to the 2022 Plan.

Principal Provisions of the 2022 Plan

The following is a summary of the provisions of the 2022 Plan. The 2022 Plan in its entirety is attached hereto as Appendix A of this Proxy Statement.

General. The 2022 Plan permits the Company to issue stock options (incentive and/or non-qualified), stock appreciation rights ("SARs"), restricted stock, restricted stock units, performance awards and other equity and cash awards to employees. Non-employee directors and consultants are eligible to receive all such awards, other than incentive stock options.

Purpose. The purpose of the 2022 Plan is threefold:

- To advance the interests of the Company and its shareholders by providing a means by which the Company and its participating subsidiaries and affiliates can motivate selected key employees (including officers and directors who are employees), non-employee directors and consultants to direct their efforts to those activities that will contribute materially to the Company's success;
- To link remunerative benefits paid to employees, non-employee directors and consultants who have substantial responsibility for the successful operation, administration and management of the Company and/or its subsidiaries and affiliates with the enhancement of shareholder value; and
- To enable the Company to attract and retain in its service highly qualified persons (including non-employee directors and consultants) for the successful conduct of its business, including our increasingly diverse media and technology businesses following the Company's acquisition of Barstool and the Score.

Eligibility. Employees (including officers) of the Company and our subsidiaries and any parent entity are eligible to receive awards under the 2022 Plan. Non-employee directors of the Company and our subsidiaries are also eligible to receive all such awards, other than incentive stock options. In addition, consultants and advisors of the Company and our subsidiaries are also eligible to receive awards under the 2022 Plan. Consultants and advisors who may be eligible to receive awards include those who are eligible to be offered securities registrable on Form S-8 under the Securities Act as well as those who do not comply with the requirements for Form S-8, provided they satisfy an exemption under the Securities Act.

PROPOSAL 5:
APPROVAL OF THE AMENDMENT TO OUR 2022 LONG-TERM INCENTIVE COMPENSATION PLAN TO INCREASE THE NUMBER OF AUTHORIZED SHARES

For purposes of the 2022 Plan, the term "subsidiary" includes any corporation, partnership, joint venture or other entity in which we have made, directly or indirectly through one or more intermediaries, a substantial investment or commitment, including, without limitation, through the purchase of equity or debt or the entering into of a management agreement or joint operating agreement.

As of April 10, 2023, the Company had approximately 972 employees, consultants and advisors and 8 directors who were eligible to be selected to receive awards under the 2022 Plan, all of whom will continue to be eligible to be selected to receive awards if the amendment to the 2022 Plan is approved by shareholders.

Number of Shares Available for Issuance. Currently, not more than **6,870,000** shares of the Company's common stock may be issued under the 2022 Plan, plus any shares of common stock subject to outstanding awards under the prior plans as of the effective date of the 2022 Plan that are forfeited or settled for cash. Shares issued under the 2022 Plan that are subsequently forfeited back to the Company before becoming fully vested will be available for future grants under the 2022 Plan. In addition, if an award under the 2022 Plan pursuant to which shares of the Company's common stock are issuable is forfeited, expires or terminates, then the shares underlying such award will be available for future issuance under the 2022 Plan. The Compensation Committee will adjust the aggregate 6,870,000 share limit if it determines that a dividend, recapitalization, stock split, merger, consolidation or other similar corporate transaction or event equitably requires an adjustment.

Assuming approval of the amendment to the 2022 Plan at the Annual Meeting, the total number of shares that may be issued under the 2022 Plan would increase to **13,870,000** shares, plus any shares of common stock subject to outstanding awards under the prior plans as of the effective date of the 2022 Plan that are forfeited or settled for cash.

Types of Awards. The 2022 Plan provides for the issuance of stock options, SARs, restricted stock, restricted stock units, performance awards and other equity-based awards. Rights to awards may be contingent on the continued employment or service or achievement of performance goals, which may be applied to the Company as a whole or a business unit or related company and may be measured either annually or cumulatively over a period of years on an absolute basis or relative to a pre-established target, to a previous year's results or to a designated comparison group.

Administration. The 2022 Plan is administered by or under the direction of the Compensation Committee. Except for matters required by the terms of the 2022 Plan to be decided by the Board of Directors or the CEO, the Compensation Committee has full power and authority to interpret and construe the 2022 Plan, to prescribe, amend and rescind rules, regulations, policies and practices, to impose such conditions and restrictions on awards as it deems appropriate and to make all other determinations necessary or desirable in connection with the administration of, or the performance of its responsibilities under, the 2022 Plan. Subject to limitations set forth in the Plan and as prescribed by the Compensation Committee, the Compensation Committee may delegate to the Company's Chief Executive Officer or a designee thereof, the authority to grant awards to certain persons under the 2022 Plan.

Minimum Vesting Period. Subject to limited exceptions in the event of a change of control of the Company, stock options, restricted stock, restricted stock units, performance awards and any other awards granted under the 2022 Plan are subject to a minimum vesting period of one year after the date of grant. However, up to 5% of the authorized shares under the 2022 Plan may be granted without regard to the minimum vesting requirement.

Limitation on Non-Employee Director Compensation. The aggregate value of cash compensation and grant date fair market value of shares that may be paid or granted during any calendar year of the Company to any non-employee director shall not exceed $750,000 (as calculated on the date of grant). By approving the 2022 Plan, shareholders would be approving the grant of awards under the 2022 Plan (which may be amended from time to time) to current non-employee directors and such other persons each of whom may be appointed as a non-employee director of the Company from time to time.

PROPOSAL 5:
APPROVAL OF THE AMENDMENT TO OUR 2022 LONG-TERM INCENTIVE COMPENSATION PLAN TO INCREASE THE NUMBER OF AUTHORIZED SHARES

Amendment and Termination. The Board may at any time amend or modify the 2022 Plan in any or all respects, except that any such amendment or modification may not adversely affect the rights of any holder of an award previously granted under the 2022 Plan unless such holder consents, and subject to shareholder approval where such approval is required by applicable law. The Board may also terminate the 2022 Plan at any time.

Dividends and Dividend Equivalents. No dividends or dividend equivalents may be paid to a plan participant with respect to an award prior to the vesting of such award. An award may provide for dividends or dividend equivalents to accrue on behalf of a participant as of each dividend payment date during the period between the date the award is granted and the date the award is exercised, vested, expired, credited or paid, and to be converted to vested cash or shares at the same time and subject to the same vesting conditions that apply to the shares to which such dividends or dividend equivalents relate.

Adjustments. The Compensation Committee shall make certain adjustments to the 2022 Plan and to the outstanding awards under the 2022 Plan in the event that the Compensation Committee determines any dividend or other distribution (whether in the form of cash, shares of the Company's common stock or other securities), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares of the Company's common stock, other securities of the Company, issuance of warrants or other rights to purchase shares of common stock or other securities of the Company, or other similar corporate transaction or event constitutes an equity restructuring transaction, as that term is defined in ASC Topic 718, Compensation – Stock Compensation, or otherwise affects the shares of the Company's common stock. In the event of such a change, appropriate adjustments will be made to:

- the number and type of shares of the Company's common stock or other securities which thereafter may be made the subject of Awards, including the aggregate and individual limits specified in the 2022 Plan;
- the number and type of shares of the Company's common stock or other securities subject to outstanding awards under the 2022 Plan;
- the grant, purchase, SAR Base Amount or Option Price with respect to any award, or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding award; and
- other value determinations applicable to outstanding awards.

Any such adjustments to the outstanding awards will generally be effected in a manner as to preclude the enlargement or dilution of rights and benefits under such awards. However, in no event will fractions of a share of common stock be issued and the Compensation Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding down as appropriate.

No Repricing Without Shareholder Approval. The 2022 Plan prohibits the repricing of stock options and SARs without first obtaining shareholder approval. Specifically, except in connection with anti-dilution and similar equitable adjustments to awards to account for certain business transactions or other changes in capital structure, without first obtaining approval of the Company's shareholders, the base amount or exercise price, as applicable, of stock options or SARs may not be reduced, whether through amendment, cancellation or replacement grant, or any other means. While not intended to be a substantive change to this provision, to conform to current drafting conventions, the 2022 Plan revises and elaborates on the wording of this provision to explicitly state that, except in connection with anti-dilution and similar equitable adjustments to awards to account for certain business transactions or other changes in capital structure, without first obtaining approval of the Company's shareholders, we may not (1) cancel, surrender, replace or otherwise exchange any outstanding stock option or SAR where the fair market value of the common stock underlying such stock option or SAR is less than its exercise price for a new stock option or SAR, another award, cash, shares of common stock or other securities; or (2) take any other action that is considered a "repricing" for purposes of the shareholder approval rules of the applicable securities exchange or inter-dealer quotation system on which the Company's common stock is quoted.

Withholding Taxes. The 2022 Plan authorizes us to withhold taxes due with respect to awards in cash, shares of our Common Stock, other securities or other awards. While not intended to be a substantive change, the 2022 Plan revises this provision in light of changes to applicable accounting rules to address certain limitations applicable when tax withholding is satisfied via tendering, withholding or returning of shares of our Common Stock, including the condition that such withholding may not exceed, in the case of shares underlying awards that are withheld or returned, the maximum statutory tax rates of the grantee's applicable jurisdiction (or such other rate as would not trigger a negative accounting impact).

Section 409A Provisions. The 2022 Plan contains provisions relating to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). The 2022 Plan makes technical changes to these provisions, including to provide that all awards made under the 2022 Plan are intended to be exempt from or, in the alternative, to comply with Section 409A of the Code and the interpretive guidance thereunder, including the exceptions for stock rights and short-term deferrals, and that the 2022 Plan will be construed and interpreted in accordance with such intent. The 2022 Plan also clarifies that each payment under an award is treated as a separate payment for purposes of Section 409A of the Code.

U.S. Federal Income Tax Consequences

The following is a summary of certain federal income tax aspects of stock options which may be awarded under the 2022 Plan based upon the laws in effect on the date hereof.

Nonqualified Stock Options. A participant will generally not recognize any taxable income upon the grant of a nonqualified stock option and the Company will not receive a deduction at the time of such grant. Upon exercise of a nonqualified stock option, the participant generally will realize ordinary income in an amount equal to the excess of the fair market value of our common stock on the date of exercise over the exercise price.

Incentive Stock Options. No taxable income is recognized by a participant at the time of grant of an incentive stock option, and no taxable income is generally recognized at the time the option is exercised. (However, the excess of the fair market value of the Company's common stock received upon exercise over the option exercise price is an item of tax preference income which may be subject to the alternative minimum tax.) Instead, the participant will recognize taxable income in the year in which the acquired shares are sold or otherwise disposed of. If the sale or other disposition is made after the participant has held the shares for more than two years after the option grant date and more than one year after the date on which the shares are transferred to the participant (referred to as a "qualifying disposition") pursuant to the option's exercise, any gain or loss, generally measured by the difference between the amount realized on the sale of shares and the option exercise price, will be treated as long-term capital gain or loss. However, if either of these two holding period requirements is not satisfied (referred to as a "disqualifying disposition"), then upon the disqualifying disposition, the participant generally recognizes ordinary income in the amount of the lesser of (i) the difference between the fair market value of the shares at the time of the option's exercise and the option's exercise price, or (ii) the difference between the amount realized on the sale and the option's exercise price. Any ordinary income recognized is added to the participant's basis for purposes of determining any additional gain on the sale and any such additional gain will be capital gain.

SARs. The grant of a SAR will generally not create any tax consequences for the participant or the Company. Upon the exercise of a SAR, the participant will recognize ordinary income in an amount equal to the cash or fair market value of the shares of common stock received from the exercise. The participant's tax basis in any shares of common stock received upon the exercise of the SAR will be equal to the ordinary income recognized with respect to the shares. Upon disposition of the shares, the participant will recognize capital gain or loss equal to the difference between the amount realized and his or her basis in the shares.

PROPOSAL 5:
APPROVAL OF THE AMENDMENT TO OUR 2022 LONG-TERM INCENTIVE COMPENSATION PLAN TO INCREASE THE NUMBER OF AUTHORIZED SHARES

Restricted Stock. In general, a participant will not recognize income with respect to restricted stock awards, including restricted stock with performance-based vesting conditions, until the date that the restrictions lapse. Upon vesting, the participant will recognize ordinary income in an amount equal to the difference of the amount paid for such stock (if any) and the fair market value of the shares received. Generally, the participant's tax basis in any shares is the amount included in his or her income and the amount paid for the stock (if any), and the participant's holding period in the shares commences on the day after the restrictions lapse. Upon disposition of the shares, the participant will recognize capital gain or loss equal to the difference between the amount realized and his or her basis in the shares.

A participant receiving restricted stock, including restricted stock with performance-based vesting conditions, may; however, make an election under Section 83(b) of the Code, commonly referred to as a "section 83(b) election," to recognize as ordinary compensation income in the year that such restricted stock is granted, the amount equal to the spread between the amount paid for such stock (if any) and the fair market value on the date of the issuance of the stock. If such an election is made, the participant recognizes no further amounts of compensation income upon the lapse of any restrictions and any gain or loss on subsequent disposition will be long or short-term capital gain to the recipient. The section 83(b) election must be made within 30 days from the time the restricted stock is issued.

Restricted Stock Units. In general, a participant will not recognize income with respect to restricted stock unit awards until there is a settlement of the award, unless Section 409A of the Code applies. Upon settlement, the participant will recognize ordinary income in an amount equal to the cash or fair market value of the shares received. The participant's tax basis in any shares received is the amount included in his or her income, and the participant's holding period in the shares commences on the day after receipt of the shares. Upon disposition of the shares received upon settlement of the restricted stock units, the participant will recognize capital gain or loss equal to the difference between the amount realized and his or her basis in the shares.

Company Deductions. As a general rule, the Company or one of its subsidiaries will be entitled to a deduction for federal income tax purposes at the same time and in the same amount that a participant recognizes ordinary income from awards under the 2022 Plan, to the extent such income is considered reasonable compensation under the Code. The Company will not, however, be entitled to a deduction with respect to payments which are contingent upon a change in control if such payments are deemed to constitute "excess parachute payments" pursuant to Section 280G of the Code and do not qualify as reasonable compensation pursuant to that Section. Such payments will subject the recipients to a 20% excise tax. In addition, the Company will not be entitled to a deduction to the extent compensation in excess of $1 million per individual per year is paid to certain current and former executive officers of the Company.

PROPOSAL 5:
APPROVAL OF THE AMENDMENT TO OUR 2022 LONG-TERM INCENTIVE COMPENSATION PLAN TO INCREASE THE NUMBER OF AUTHORIZED SHARES

2022 Plan Benefits Table

No grants under the 2022 Plan have been made that are conditioned upon approval of the proposed amendment to the 2022 Plan. The number and types of awards that will be granted under the amended 2022 Plan in the future are not determinable, as the Compensation Committee will make these determinations in its sole discretion. The table below reflects all equity awards granted under the 2022 Plan from its adoption through April 6, 2023 to the individuals and groups listed in the table. Note that the amounts in the table reflect the actual number of shares underlying awards, not the shares that are counted against the 2022 Plan's share reserve with respect to full-value awards, as described under "**Number of Shares Available for Issuance**" above. As of April 10, 2023, the closing price of the Company's common stock was $29.20.

Name and Title	Stock Options	SARS	Restricted Stock Shares	Restricted Stock Units	Performance Awards (1)
Jay A. Snowden Chief Executive Officer and President	296,566	—	—	—	186,557
Felicia Hendrix EVP and Chief Financial Officer	79,271	—	—	—	49,419
Todd George EVP, Operations	88,597	—	—	—	55,233
Chris Rogers EVP and Chief Strategy Officer	46,363	—	—	—	28,904
All current executive officers, as a group	510,797	—	—	—	320,113
All current directors who are not current executive officers as a group	—	—	69,013	17,082(2)	—
Each associate of the above-mentioned directors or executive officers	—	—	—	—	—
Each other person who received or is to receive 5% of such options, warrants or rights	—	—	—	—	—
All employees, including officers who are not current executive officers, as a group	322,483	13,579(2)	—	1,303,469(3)	464,657(4)

(1) Amounts shown in this column represent the number of performance-based phantom stock units granted under the 2022 Plan at target levels. Depending on the level of achievement of applicable performance goals, an amount in excess of the target award may be earned.

(2) Represents grants that were settled in cash.

(3) 7,604 units were settled in cash.

(4) 101,642 units were settled in cash.

For further information regarding shares of our common stock that we may issue upon the exercise of options and rights under our equity compensation plans, see "Equity Compensation Plan Information" on page 78 of this Proxy Statement.

PROPOSAL 5:
APPROVAL OF THE AMENDMENT TO OUR 2022 LONG-TERM INCENTIVE COMPENSATION PLAN TO INCREASE THE NUMBER OF AUTHORIZED SHARES

Summary of the Proposal

The preceding summary was not exhaustive and is qualified by reference to the full text of the Amended 2022 Plan, which is attached hereto as Appendix A to this Proxy Statement.

Vote Required

The affirmative vote of a majority of the votes cast is required for approval of the proposal. For purposes of the vote on this proposal, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE AMENDMENT TO OUR 2022 LONG-TERM INCENTIVE COMPENSATION PLAN TO INCREASE TO THE NUMBER OF AUTHORIZED SHARES.

AUDIT COMMITTEE REPORT

The following is a report by the Audit Committee of our Board of Directors regarding the responsibilities and functions of the Audit Committee. This report is not "soliciting material," is not deemed filed with the SEC, and is not to be incorporated by reference in any of the Company's filings under the Securities Act or the Exchange Act, respectively, whether made before or after the date of this Proxy Statement and irrespective of any general incorporation language therein.

Management is responsible for the preparation, presentation and integrity of the Company's financial statements, accounting and financial reporting principles, internal controls and procedures designed to ensure compliance with accounting standards, applicable laws and regulations. The Audit Committee is responsible for appointing, compensating, overseeing and, where appropriate, discharging and replacing the Company's independent registered public accounting firm (the "independent accounting firm"). In addition, the Audit Committee is involved in the selection of the lead audit engagement partner whenever a rotational change is required by applicable law or listing standards or for any other reason. The independent accounting firm is responsible for expressing an opinion on the conformity of the Company's audited financial statements with generally accepted accounting principles. In addition, the independent accounting firm will express its own opinion on the effectiveness of the Company's internal controls over financial reporting. The Audit Committee is responsible for monitoring and overseeing these processes.

The function of the Audit Committee is not intended to duplicate or attest as to the activities of management and the independent accounting firm, nor can the Audit Committee certify that the independent accounting firm is "independent" under applicable rules. The Audit Committee serves a board-level oversight role, in which it provides advice, counsel and direction to management and the independent accounting firm based on the information it receives, discussions with management and the independent accounting firm and the experience of the Audit Committee's members in business, financial and accounting matters.

In this context, the Audit Committee met and held numerous discussions with management and the independent accounting firm during 2022. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent accounting firm. The Audit Committee discussed with the independent accounting firm matters required to be discussed by the applicable standards of the Public Company Accounting Oversight Board.

The independent accounting firm also provided to the Audit Committee the written disclosures and the letter required by Rule 3526 of the Public Company Accounting Oversight Board, Communications with Audit Committees Concerning Independence, and the Audit Committee discussed with the independent accounting firm the firm's independence.

Based upon the Audit Committee's discussion with management and the independent accounting firm and the Audit Committee's review of the representations of management and the report of the independent accounting firm on the Consolidated Financial Statements, the Audit Committee recommended that the Board of Directors include the audited consolidated financial statements in the Company's 2022 Annual Report filed with the SEC on February 23, 2023.

Audit Committee of the Board of Directors

Jane Scaccetti, Chair
Saul Reibstein
Barbara Shattuck Kohn

PRINCIPAL ACCOUNTANT FEES AND SERVICES

A description of aggregate fees for professional services performed by Deloitte, which served as our independent public accounting firm for fiscal 2022 and 2021, is as follows:

	Fiscal 2022	Fiscal 2021
Audit Fees (1)	**$7,059,221**	**$6,345,837**
Audit-Related Fees (2)	**—**	**$873,000**
Tax Fees (3)	**$20,000**	**$115,447**
Other Fees (4)	**$18,290**	**$109,661**
Total Fees	**$7,097,511**	**$7,443,945**

(1) Audit fees include fees associated with the annual audit, reviews of the Company's quarterly reports on Form 10-Q, annual audits required by law for certain jurisdictions, and other audit and attestation services related to statutory or regulatory filings. Audit fees also include the audit of the Company's internal controls over financial reporting, as required by Section 404 of the Sarbanes Oxley Act of 2002. Audit fees included additional fees associated with registration statement on Forms S-3 and S-8, comfort letters and consents.

(2) Audit related fees in 2021 included fees associated with due diligence for various acquisitions.

(3) Tax fees for 2022 included advisory services. Tax fees for 2021 included fees for tax compliance services for Sam Houston.

(4) Other fees for 2022 included fees paid to the Canadian Public Accountability Board. Other fees for 2021 included fees related to our enterprise risk program.

Pre-Approval Policies and Procedures of our Audit Committee

Our Audit Committee must pre-approve all audit services and permissible tax and non-audit services provided by our independent registered public accounting firm. In the intervals between the scheduled meetings of the Audit Committee, the Audit Committee delegates pre-approval authority of permissible tax and non-audit services to the chair of the Audit Committee or a subcommittee thereof. The chair must report any such pre-approval decisions to the Audit Committee at its next regularly scheduled meeting.

OTHER MATTERS

Annual Report

The Company's 2022 Annual Report is being made available to shareholders concurrently with this Proxy Statement and does not form part of the proxy solicitation material.

Changing the Way You Receive Proxy Materials in the Future

Instead of receiving a Notice of Availability in the mail for future meetings, shareholders may elect to receive links to proxy materials by e-mail or to receive a paper copy of the proxy materials and a paper Proxy Card by mail. Opting to receive all future proxy materials online will save us the cost of producing and mailing such documents to you and help us conserve natural resources. If you elect to receive proxy materials by e-mail, you will not receive a Notice of Availability in the mail. Instead, you will receive an e-mail with links to proxy materials and online voting. In addition, if you later elect to receive a paper copy of the proxy materials, or if applicable rules or regulations require paper delivery of the proxy materials, you will not receive a Notice of Availability in the mail. If you received a paper copy of the proxy materials or the Notice of Availability in the mail, you could eliminate all such paper mailings in the future by electing to receive an e-mail that will provide Internet links to these documents. You can change your election by directing your request in writing to PENN Entertainment, Inc., 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610, Attention: Secretary, by sending a blank e-mail with the 16-digit control number on your Notice of Availability to **sendmaterial@proxyvote.com**, via the Internet at **www.proxyvote.com**, or by telephone at 1-800-579-1639. Your election will remain in effect until you change it.

Householding of Proxy Materials

Registered and "street-name" shareholders who reside at a single address receive only one annual report and proxy statement at that address unless a shareholder provides contrary instructions. This practice is known as "householding" and is designed to reduce duplicate printing and postage costs. However, if a shareholder wishes in the future to receive a separate annual report or proxy statement, he or she may contact Broadridge Financial Solutions at 1-866-540-7095, or in writing at Broadridge Financial Solutions, 51 Mercedes Way, Edgewood, NY 11717. In any event, if you did not receive an individual copy of this Proxy Statement or our 2022 Annual Report, we will send a copy to you promptly if you address your written request to the Secretary, PENN Entertainment, Inc., 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610. Shareholders can request householding if they receive multiple copies of the annual report and proxy statement by contacting Broadridge Financial Solutions at the address above.

Advance Notice Provision

Under the Company's bylaws, no business may be brought before an annual meeting unless it is specified in the notice of the meeting or is otherwise brought before the meeting by or at the direction of the Board or by a shareholder present in person at the meeting who (i) was a shareholder of record at the time of giving notice and, at the time of the annual meeting is entitled to vote at the meeting, and (ii) has owned beneficially at least 1% of the Company's common stock for a continuous period of not less than 12 months prior to making the proposal and who has delivered proper written notice to the Company's Secretary (containing certain information specified in the bylaws about the shareholder and the proposed action) not less than 120 nor more than 150 days prior to the first anniversary of the preceding year's annual meeting. Accordingly, proposals with respect to the 2024 annual meeting of shareholders must be delivered between January 8, 2024 and February 7, 2024. These requirements are separate from the SEC's requirements that a shareholder must meet in order to have a shareholder proposal included in the Company's proxy statement pursuant to Rule 14a-8 promulgated under the Exchange Act. In addition, shareholders who intend to solicit proxies in support of director nominees other than the Company's nominees must comply with the additional requirements of Rule 14a-19(b).

Shareholder Proposals

Shareholders interested in submitting a proposal for inclusion in the proxy materials for the annual meeting of shareholders in 2024 may do so by following the procedures prescribed in Rule 14a-8 promulgated under the Exchange Act. To be eligible for inclusion, shareholder proposals must be received by the Company's Secretary no later than December 27, 2023. Proposals should be sent to the Company's principal executive office, 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610, directed to the attention of the Secretary.

OTHER MATTERS

Director Nominations by Shareholders

Shareholders present in person at the meeting who (i) were shareholders of record at the time of giving notice and, at the time of the annual meeting are entitled to vote at the meeting, and (ii) who have beneficially owned at least 1% of the Company's common stock for a continuous period of not less than 12 months before making such recommendation may submit director nominations to the Governance Committee for consideration. To be timely, a shareholder's notice to the Secretary must be hand delivered to or mailed (certified or registered mail, return receipt requested) and received by the Company secretary at the principal executive offices of the Company not less than 120 nor more than 150 days prior to the anniversary date of the immediately preceding annual meeting of shareholders.

To be in proper written form, a shareholder's notice must contain with respect to each nominee: (i) all information relating to such person that is required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for election of directors in a contested election, or otherwise required by Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; (ii) a description of all direct and indirect compensation, economic interests and other material monetary agreements, arrangements and understandings during the past three years between or among such shareholder and beneficial owner, if any, and their respective affiliates and associates; (iii) a description of all relationships, agreements, arrangements and understandings between the proposed nominee and the recommending shareholder and the beneficial owner, if any; (iv) a description of all relationships between the recommended nominee and any of the Company's competitors, customers, suppliers, labor unions or other related parties; and (v) a completed and signed questionnaire, representations, consent and agreement as required by the Company's bylaws.

A shareholder's notice must also contain certain other information regarding the shareholder giving the notice and the beneficial owner, if any, on whose behalf the recommendation for nomination or proposal is made, including: (i) the name, address and telephone number of such shareholder and the name, address and telephone number of such beneficial owner, if any; (ii) the class or series and number of shares and any other securities of the Company which are owned of record by such shareholder and beneficially by such beneficial owner, and the time period such shares have been held; (iii) any material pending or threatened legal proceeding in which such shareholder or beneficial owner is a party or material participant involving the Company or any of its officers or directors, or any affiliate of the Company, and any direct or indirect material interest in any material contract or agreement of such shareholder or beneficial owner with the Company, any affiliate of the Company or any principal competitor of the Company; (iv) a representation that such shareholder and beneficial owner, if any, intend to be present in person at the meeting; (v) a representation that such shareholder and such beneficial owner, if any, intend to continue to hold the reported securities through the date of the Company's next annual meeting of shareholders; and (vi) a completed and signed questionnaire, representations, consent and agreement as required by the Company's bylaws.

The notice shall be accompanied by a written consent of each recommended nominee to provide (i) all information necessary to enable the Company to respond fully to any suitability inquiry conducted under the executive, administrative, judicial and/or legislative rules, regulations, laws and orders of any jurisdiction to which the Company is then subject; (ii) a multi-jurisdictional personal disclosure form in the form customarily submitted by officers and directors of the Company; (iii) such additional information concerning the recommended nominee as may reasonably be required by the Governance Committee and/or Board to determine the eligibility of such recommended nominee to serve as an independent director of the Company, that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee, and to evaluate whether the recommended nominee is an unsuitable person; and (iv) a background check to confirm the qualifications and character of the recommended nominee, to evaluate whether the nominee is an unsuitable person, and to make such other determinations as the Governance Committee or the Board may deem appropriate or necessary.

The foregoing is a summary of the requirements to properly nominate an individual for election to the Board. For further information regarding director nominations by shareholders, please see Article VII of the Company's bylaws.

Other Matters to Come Before the 2023 Annual Meeting

Our Board of Directors does not know of any matters other than those described in this Proxy Statement that will be presented for action at the Annual Meeting. If other matters are presented, proxies will be voted in accordance with the discretion of the proxy holders.

ABOUT THE MEETING: QUESTIONS AND ANSWERS

Why Am I Receiving This Proxy Statement?

This Proxy Statement is furnished in connection with the solicitation of proxies for use at the Annual Meeting to be held for the purposes stated in the accompanying Notice of Annual Meeting of Shareholders. This solicitation is made by PENN Entertainment on behalf of our Board of Directors. This Proxy Statement, the enclosed Proxy Card and our 2022 Annual Report are first being mailed to shareholders beginning on or about April 25, 2023.

What Am I Being Asked To Vote On, And What Are The Board Of Directors' Voting Recommendations?

Proposal 1:
Election of Class III Directors

The election of four Class III directors to our Board of Directors, each for a term expiring at the 2026 annual meeting of shareholders or until their respective successors are elected and qualified

"FOR"

Proposal 2:
The Ratification of the Appointment of Deloitte & Touche LLP as our Independent Registered Public Accountant

The ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2023

"FOR"

Proposal 3:
Advisory Vote on Executive Compensation

The approval (on a non-binding, advisory basis) of the compensation of our named executive officers

"FOR"

Proposal 4:
Advisory Vote on the Frequency of the Shareholder Advisory Vote to Approve Executive Compensation

The decision (on a non-binding, advisory basis) on the frequency of the shareholder vote to approve the compensation of our named executive officers

"FOR ONE YEAR"

Proposal 5:
Approval of the Amendment to Our 2022 Long-Term Incentive Compensation Plan

The approval of the amendment to our 2022 Long-Term Incentive Compensation Plan to increase the number of authorized shares.

"FOR"

ABOUT THE MEETING: QUESTIONS AND ANSWERS

Will Any Other Matters Be Voted On?

The proposals set forth in this Proxy Statement constitute the only business that the Board of Directors intends to present at the Annual Meeting. The proxy does, however, confer discretionary authority upon the persons designated as proxy holders on the Proxy Card, or their substitutes, to vote on any other business that may properly come before the meeting.

Who Is Entitled To Vote At The Annual Meeting?

Only holders of record of our common stock, or their duly appointed proxies, as of the close of business on April 10, 2023, the Record Date for the Annual Meeting, are entitled to receive notice of and to vote at the Annual Meeting and all postponements or adjournments thereof. Our common stock constitutes the only class of securities entitled to vote at the meeting.

What Are The Voting Rights Of Shareholders?

Each share of common stock outstanding on the Record Date entitles its holder to cast one vote on each matter to be voted on at the Annual Meeting.

How Can I Attend And Vote At The Annual Meeting?

The Annual Meeting will be held virtually; you will not be able to attend the Annual Meeting in person. You are entitled to participate in the Annual Meeting if you were a shareholder as of the close of business on April 10, 2023, the Record Date for the Annual Meeting.

- **Attending the Annual Meeting:** To attend the Annual Meeting, visit **www.virtualshareholdermeeting.com/PENN2023**. You will be asked to enter the 16-digit control number found on the proxy card and the voting instruction form that accompanied your proxy materials.
- **Voting During the Annual Meeting:** If you are a shareholder as of the Record Date, you may vote during the Annual Meeting by following the instructions available on the meeting website during the meeting.
- **Technical Support for the Annual Meeting:** If you have difficulty accessing the virtual Annual Meeting, Technicians will be available to assist you via the toll-free phone number listed at **www.virtualshareholdermeeting.com/PENN2023**.

Whether or not you plan to attend the Annual Meeting, we urge you to vote and submit your proxy in advance of the meeting. For information on how to vote prior to the Annual Meeting, see "How Do I Vote Without Attending the Annual Meeting?"

How Do I Vote Without Attending The Annual Meeting?

Voting by Proxy for Shares Registered Directly in the Name of the Shareholder. If you are a shareholder of record, you may instruct the proxy holders named in the Proxy Card how to vote your shares of common stock in one of the following ways:

- **Vote by Internet.** To vote on the Internet, you must go to **www.proxyvote.com**, have your Notice of Availability, Proxy Card or voting instruction form in hand and follow the instructions. If you vote via the Internet, you do not need to return your Proxy Card.
- **Vote by Phone.** To vote by telephone, you must call the toll-free number listed on your Notice of Availability and/or Proxy Card, have your Notice of Availability, Proxy Card or voting instruction form in hand and follow the instructions. If you vote by telephone, you do not need to return your Proxy Card.
- **Vote by Mail.** To vote by mail, if you have not already received one, you may request a Proxy Card from us as instructed in the Notice of Availability and sign, date and mail the Proxy Card in the postage-paid envelope provided. Properly signed and returned proxies will be voted in accordance with the instructions contained therein.

Voting by Proxy for Shares Held in Street Name. If you are the beneficial owner of shares of common stock held in "street name" (that is, through a bank, broker or other nominee), then you should follow the instructions provided to you by your broker, bank or other nominee.

ABOUT THE MEETING: QUESTIONS AND ANSWERS

Will I Be Able To Participate In The Virtual Annual Meeting In The Same Way That I Would Be Able To Participate In An In-Person Annual Meeting?

Yes. We have taken steps to ensure that the format of the virtual Annual Meeting affords shareholders the same rights and opportunities to participate as they would at an in-person meeting. We have also enhanced shareholder access, participation and communication by providing shareholders the ability to submit questions in advance of the meeting.

You may submit a question in advance of the meeting at **www.proxyvote.com** after logging in with your control number found on your Proxy Card, voting instruction form or Notice of Availability. Questions may also be submitted during the Annual Meeting through **www.virtualshareholdermeeting.com/PENN2023**. The Company will respond to as many inquiries at the Annual Meeting as time allows, although questions may be limited on a per shareholder basis due to time constraints. Off-topic, personal or other inappropriate questions will not be answered.

A replay of the meeting, as well as any appropriate questions pertinent to meeting matters and management's answers that could not be answered during the meeting due to time constraints, will be made publicly available through our investor relations website promptly after the virtual annual meeting.

What Will Constitute A Quorum At The Annual Meeting?

The presence in person (virtually) or by proxy of shareholders entitled to cast a majority of all the votes entitled to be cast on any matter at the Annual Meeting as of April 10, 2023 will constitute a quorum, permitting the shareholders to conduct business at the Annual Meeting. As of the April 10, 2023 Record Date, there were 154,149,376 shares of common stock outstanding. If you have returned valid proxy instructions or if you hold your shares of common stock in your own name as a holder of record and attend the Annual Meeting (virtually), your shares will be counted for the purpose of determining whether there is a quorum. We will include abstentions and "broker non-votes" in the calculation of the number of shares of common stock considered to be present at the meeting for purposes of determining the presence of a quorum at the meeting. If a quorum is not present, the Annual Meeting may be adjourned from time to time to a date not more than 120 days after June 6, 2023, by the vote of a majority of the shares of common stock represented at the Annual Meeting in person (virtually) or by proxy until a quorum has been obtained.

What Are Broker Non-Votes?

A broker non-vote occurs when a broker, bank, or other nominee holding shares on behalf of a beneficial owner is prohibited from exercising discretionary voting authority for a beneficial owner who has not provided voting instructions. Brokers, banks, and other nominees may vote without instruction only on "routine" proposals. On "non-routine" proposals, nominees cannot vote without instructions from the beneficial owner, resulting in so called "broker non-votes." Proposal 2, the ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm, is the only routine proposal on the ballot for the Annual Meeting. All other proposals are non-routine. If you hold your shares with a broker, bank, or other nominee, they will not be voted on non-routine proposals unless you give voting instructions to such nominee.

How Are The Proxy Card Votes Counted?

If the accompanying Proxy Card is properly completed, signed and returned to us, and not subsequently revoked, it will be voted as directed by you. If the Proxy Card is submitted, but voting instructions are not provided, the proxy will be voted in accordance with the Board's recommendation for each proposal herein and as recommended by our Board of Directors with regard to any other matters that may properly come before the Annual Meeting, if no such recommendation is given, in the discretion of the proxy holders.

May I Change My Vote After I Submit My Proxy Card?

Yes. You may revoke a previously granted proxy at any time before it is exercised by any of the following actions:

- notifying our Secretary in writing that you would like to revoke your proxy; or
- attending our Annual Meeting (virtually) and following the instructions available on the meeting website during the meeting.

If your shares of common stock are held on your behalf by a broker, bank or other nominee, you must contact them to receive instructions as to how you may revoke your proxy voting instructions.

Who Pays The Costs Of Soliciting Proxies?

We will pay the cost of solicitation of proxies. In addition to the solicitation of proxies through the Internet or by mail, our directors, officers and employees may also solicit proxies in person, by telephone, electronically, by mail or other means, but they will not be specifically compensated for these services. We will also request persons, firms and corporations holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send proxy materials to, and obtain proxies from, such beneficial owners.

We may retain the services of a proxy solicitation firm if, in the Board's view, it is deemed necessary or advisable. Although we do not currently expect to retain such a firm, we estimate that the fees of such firm could be up to $25,000, plus out-of-pocket expenses, all of which would be paid by us.

What Should I Do If I Received More Than One Notice Of Availability?

There are circumstances under which you may receive more than one Notice of Availability. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each such brokerage account. In addition, if you are a shareholder of record and your shares are registered in more than one name, you will receive more than one Notice of Availability. Please authorize your proxy in accordance with the instructions of each Notice of Availability separately, since each one represents different shares that you own.

You should rely only on the information provided in this Proxy Statement. No person is authorized to give any information or to make any representation not contained in this Proxy Statement and, if given or made, you should not rely on that information or representation as having been authorized by us. You should not assume that the information in this Proxy Statement is accurate as of any date other than the date of this Proxy Statement or, where information relates to another date set forth in this Proxy Statement, then as of that date.

PENN ENTERTAINMENT, INC.

2022 LONG TERM INCENTIVE COMPENSATION PLAN

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PENN ENTERTAINMENT, INC.
2022 LONG TERM INCENTIVE COMPENSATION PLAN
As Amended [ ]

ARTICLE I
PURPOSE

The 2022 Long Term Incentive Compensation Plan is intended to advance the interests of PENN Entertainment, Inc., a Pennsylvania corporation, and its shareholders by providing a means by which the Company and its subsidiaries and affiliates shall be able to motivate selected Employees, Directors and Consultants to direct their efforts to those activities that will contribute materially to the Company's success. The Plan is also intended to serve the best interests of the shareholders by linking remunerative benefits paid to selected Employees, Directors and Consultants who have substantial responsibility for the successful operation, administration and management of the Company and/or its subsidiaries and affiliates with the enhancement of shareholder value while such selected Employees, Directors and Consultants increase their proprietary interest in the Company. Finally, the Plan is intended to enable the Company to attract and retain in its service highly qualified persons for the successful conduct of its business.

ARTICLE II
DEFINITIONS AND CONSTRUCTION

SECTION 2.1 DEFINITIONS

The following words and phrases when used in the Plan with an initial capital letter, unless their context clearly indicates to the contrary, shall have the respective meanings set forth below in this Section 2.1:

Act. The Securities Exchange Act of 1934, as now in effect or as hereafter amended from time to time.

Award. A grant of one of the following under the Plan: "Stock Option Award," "Stock Appreciation Right Award," "Restricted Stock Award," "Restricted Stock Unit Award," "Other Award," and "Performance Award," all as further defined herein.

Award Agreement. The written instrument delivered by the Company to a Grantee evidencing an Award, and setting forth such terms and conditions of the Award, including, without limitation, any restrictive covenants, as may be deemed appropriate by the Grantor. The Award Agreement shall be in a form approved by the Grantor, and once executed, shall be amended from time to time to include such additional or amended terms and conditions as the Grantor may specify after the execution in the exercise of the Grantor's powers under the Plan.

Award Period. With respect to a Performance Award, a period of one or more Performance Periods, beginning on the first day of the first Performance Period, and ending on the date following the end of the final Performance Period that the Committee makes its determination with respect to the final vesting of the Performance Award or, if earlier, the date of the Committee determination following a Change of Control in accordance with Article XIII.

Award Target. With respect to a Grantee's Performance Award for an Award Period, a percentage of such Grantee's total target long-term incentive value calculated at the beginning of the Award Period and expressed as a number of Performance Shares and/or Performance Units, or, in the Grantor's discretion, as a dollar amount. The Award Target may be allocated by the Grantor among the Performance Periods within the Award Period.

Beneficiary. Any individual, estate or trust who or which by designation of a Holder pursuant to Section 12.3 or operation of law succeeds to the rights and obligations of the Holder under the Plan and one or more Award Agreements.

Board. The Board of Directors of the Company, as it may be constituted from time to time. For the avoidance of doubt, the Board shall not include any director emeritus or chair emeritus.

Cause. Fraud, embezzlement, theft or dishonesty against the Company, conviction of a felony, willful misconduct, being found unsuitable by a regulatory authority having jurisdiction over the Company, willful and wrongful disclosure of confidential information, engagement in competition with the Company and any other conduct defined as cause in any agreement between a Grantee and the Company or any Subsidiary, in each case during employment with the Company and all Subsidiaries or service as a Director, as the case may be.

CEO. The Chief Executive Officer of the Company or his or her designee(s).

Change of Control.

(a) With respect to Awards that are not "deferred compensation" under Section 409A of the Code, any of the following events shall constitute a Change of Control for purposes of this Plan:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of fifty percent (50%) or more of either (A) the then outstanding shares of the Company (the "Outstanding Company Shares") or (B) the combined

voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this Subsection (i), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company; (2) any acquisition by the Company; (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; or (4) any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of Subsection (iii) below; or

(ii) consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another entity (each, a "Corporate Transaction"), in each case, unless, following such Corporate Transaction, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Shares and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation or other entity resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction of the Outstanding Company Shares and Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any employee benefit plan or related trust of the Company or such corporation resulting from such Corporate Transaction) beneficially owns, directly or indirectly, twenty percent (20%) or more of, respectively, the then outstanding shares of the corporation resulting from such Corporate Transaction or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership of the Company existed prior to the Corporate Transaction and (C) at least a majority of the members of the board of directors of the corporation (or other governing board of a non-corporate entity) resulting from such Corporate Transaction were members of the Incumbent Board (as defined in Subsection (iv)) at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction; or

(iii) individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds (2/3) of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(b) With respect to Awards that are "deferred compensation" under Section 409A of the Code, to the extent necessary to avoid incurring adverse tax consequences under Section 409A of the Code with respect to such Awards, each of the foregoing events shall only be deemed to be a Change of Control for purposes of the Plan to the extent such event qualifies as a "change in control event" for purposes of Section 409A of the Code. The Grantor shall be entitled to amend or interpret the terms of any Award to the extent necessary to avoid adverse Federal income tax consequences to a Grantee under Section 409A of the Code.

Clawback Policy. Clawback Policy shall mean the PENN Entertainment, Inc. Executive Incentive Compensation Recoupment Policy, adopted as of November 9, 2022, and as amended from time to time.

Code. The Internal Revenue Code of 1986, as amended from time to time.

Committee. The Compensation Committee of the Board.

Common Stock. Common stock of the Company, par value $0.01.

Company. PENN Entertainment, Inc., a Pennsylvania corporation, and its successors and assigns.

Consultant. Any consultant or advisor to the Company or a Subsidiary.

Date of Grant. The date as of which the Grantor grants an Award.

Director. A member of the Board who is not also an employee of the Company or any Subsidiary, and, for purposes of this Plan, any director emeritus or chair emeritus.

Effective Date. June 7, 2022, the date on which the shareholders of the Company originally approved the Plan.

Employee. An employee of the Company or any Subsidiary or "parent corporation" within the meaning of Section 424(e) of the Code.

Fair Market Value. With respect to the Common Stock on any day, (i) the closing sales price on the immediately preceding business day of a share of Common Stock as reported on the principal securities exchange on which shares of Common Stock are then listed or admitted to trading, or (ii) if the Common Stock is not listed or admitted to trading on a securities exchange, as determined in a manner specified by the Committee determined in accordance with Section 409A of the Code. A "business day" is any day on which the relevant market is open for trading.

Grantee. A current or former Employee, Director or Consultant to whom an Award is or has been granted.

Grantor. With respect to an Award granted to an Employee or Consultant, the Committee or the CEO (with respect to Nonreporting Persons), as the case may be, that grants the Award. With respect to an Award granted to a Director, the Board is the Grantor.

Holder. The individual who holds an Award, who shall be the Grantee or a Beneficiary.

Incentive Stock Option or ISO. An Option that is intended to meet, and structured with a view to satisfying, the requirements of Section 422 of the Code and is designated by the Grantor as an Incentive Stock Option.

Non-Qualified Stock Option. An Option that is not designated by the Grantor as an Incentive Stock Option, or an Option that is designated by the Grantor as an Incentive Stock Option if it does not satisfy the requirements of Section 422 of the Code.

Nonreporting Person. A Grantee who is not subject to Section 16 of the Act.

Option or Stock Option. A right granted pursuant to Article V.

Option Period. The period beginning on the Date of Grant of an Option and ending on the date the Option terminates.

Option Price. The per share price at which shares of Common Stock may be purchased upon exercise of a particular Option.

Other Award. Awards granted pursuant to Article IX.

Performance Award. An Award of Performance Shares and/or Performance Units.

Performance Goals. One or more performance criteria, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit or related company, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to a previous year's results or to a designated comparison group, in each case as specified by the Grantor in the Award. The Grantor shall appropriately adjust any Performance Goal to take into account the impact of any extraordinary, unusual or non-recurring event or condition as described in Accounting Principles Board Opinion No. 30 and/or management's discussion and analysis of financial condition and results of operations appearing in the Company's securities filings, including, without limitation: asset write-downs; litigation, claims, judgments, settlements; currency fluctuations and other non-cash charges; changes in applicable law, rule or regulation or accounting principles; accruals for reorganization and restructuring programs; costs incurred in the pursuit of acquisition opportunities; strikes, delays or similar disruptions by organized labor, guilds or horsemen's organizations; national macroeconomic conditions; terrorism and other international hostilities; or significant regional weather events.

Performance Level. The applicable percentage of achievement of a Performance Goal established by the Grantor with respect to a Performance Period. The Performance Levels may include, without limitation, ***Target Performance***, ***Threshold Performance***, and ***Maximum Performance***.

Performance Shares. An Award of Restricted Stock that is subject to the achievement of one or more Performance Goals as determined by the Grantor, and granted pursuant to Article X.

Performance Units. An Award of Restricted Stock Units that is subject to the achievement of one or more Performance Goals as determined by the Grantor, and granted pursuant to Article X.

Plan. PENN Entertainment, Inc. 2022 Long Term Incentive Compensation Plan, as set forth herein and as amended from time to time.

Prior Plan. Each of the Penn National Gaming, Inc. 2018 Long Term Incentive Plan and the Score Media and Gaming Inc. Second Amended and Restated Stock Option and Restricted Stock Unit Plan.

Reporting Person. A Grantee who is subject to Section 16 of the Act.

Restricted Period. The period of time beginning with the Date of Grant of a Restricted Stock Award and ending when the Restricted Stock is forfeited or when all conditions for vesting are satisfied.

Restricted Stock. Shares of Common Stock issued pursuant to a Restricted Stock Award.

Restricted Stock Award. An Award of Restricted Stock under Article VII.

Restricted Stock Unit or RSU. A unit used solely as a device for the measurement and determination of the amount to be paid on behalf of a Grantee as described in Article VIII. An RSU represents the right to receive, at a future date and without payment to the Company, shares of Common Stock (which may be Restricted Stock), an amount of cash equal to the value of a share of Common Stock or any combination thereof, as determined by the Grantor in accordance with Article VIII. RSUs shall not constitute or be treated as property or as a trust fund of any kind. All amounts at any time attributable to the RSUs shall be and remain the sole property of the Company and all Grantees' rights hereunder are limited to the rights to receive cash or shares of Common Stock (which may be Restricted Stock) as provided in Article VIII.

Restricted Stock Unit Award. An Award of RSUs under Article VIII.

Rule 16b-3. Rule 16b-3 of the General Rules and Regulations under the Act, or any law, rule, regulation or other provision that may hereafter replace such Rule.

SAR Base Amount. An amount set forth in the Award Agreement for a SAR.

Securities Act. The Securities Act of 1933, as now in effect or as hereafter amended from time to time.

Stock Appreciation Right or SAR. A unit used solely as a device for the measurement and determination of the amount to be paid on behalf of Grantees as described in Article VI. A SAR represents the right to receive, at a future date and without payment to the Company, shares of Common Stock (which may be Restricted Stock), an amount of cash equal to the value of a share of Common Stock or any combination thereof, as determined by the Grantor in accordance with Article VI. SARs shall not constitute or be treated as property or as a trust fund of any kind. All amounts at any time attributable to the SARs shall be and remain the sole property of the Company and all Grantees' rights hereunder are limited to the rights to receive cash and shares of Common Stock (which may be Restricted Stock) as provided in Article VI.

Stock Appreciation Rights Award. An Award of SARs under Article VI.

Stock Option Award. An Award of Options under Article V.

Subsidiary. Any corporation, partnership, joint venture or other entity in which the Committee has determined that the Company had made, directly or indirectly through one or more intermediaries, a substantial investment or commitment, including, without limit, through the purchase of equity or debt or the entering into of a management agreement or joint operating agreement. In the case of Incentive Stock Options, Subsidiary shall mean any entity that qualifies as a "subsidiary corporation" of the Company under Section 424(f) of the Code.

Ten Percent Shareholder. A person owning shares possessing more than 10% of the total combined voting power of all classes of shares of the Company, any subsidiary corporation (within the meaning of Section 424(f) of the Code) or parent corporation (within the meaning of Section 424(e) of the Code).

SECTION 2.2 CONSTRUCTION

Whenever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and wherever any words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply. Headings of Sections and Subsections of the Plan are inserted for convenience of reference, are not a part of the Plan, and are not to be considered in the construction hereof. The words "hereof," "herein," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan, and not to any particular provision or Section. The words "includes," "including" and other similar compounds of the word "include" shall mean and refer to including without limitation. All references herein to specific Articles, Sections or Subsections shall mean Articles, Sections or Subsections of this document unless otherwise qualified.

ARTICLE III
STOCK AVAILABLE FOR AWARDS

SECTION 3.1 COMMON STOCK

Shares of Common Stock may be delivered under the Plan, such shares to be made available from authorized but unissued shares or from shares reacquired by the Company, including shares purchased in the open market.

SECTION 3.2 NUMBER OF SHARES DELIVERABLE

Subject to adjustments as provided in Section 11.2, 13,870,000 shares of Common Stock may be issued under the Plan plus any shares of Common Stock subject to outstanding awards under each Prior Plan as of the Effective Date that are forfeited or settled for cash. Any Awards that are not settled in shares of Common Stock shall not count against this limit.

The Plan will remain in place until all of the Awards granted thereunder have been paid or expired.

SECTION 3.3 REUSABLE SHARES

Shares of Common Stock subject to an Award that are forfeited to the Company shall again be available for issuance under the Plan. For the avoidance of doubt, the following shares of Common Stock may not again be made available for issuance as Awards under the Plan: (i) shares of Common Stock not issued or delivered as a result of the net settlement of an outstanding Stock Option or SAR, (ii) shares of Common Stock used to pay the Option Price or withholding taxes related to an outstanding Stock Option or SAR, or the withholding taxes related to any other outstanding Award, or (iii) shares of Common Stock repurchased on the open market with the proceeds of the Option Price.

ARTICLE IV
AWARDS AND AWARD AGREEMENTS

SECTION 4.1 GENERAL

4.1.1 Subject to the provisions of the Plan, the Committee may at any time (i) determine and designate those Reporting Persons who are Employees to whom Awards are to be granted; (ii) determine the time or times when Awards to Reporting Persons who are Employees shall be granted; (iii) determine the form or forms of Awards to be granted to any Reporting Person who is an Employee; (iv) determine the number of shares of Common Stock or dollar amounts subject to or denominated by each Award to be granted to any Reporting Person who is an Employee; (v) determine the terms and conditions of each Award (including, without limitation, any Performance Goals and Performance Levels) to a Reporting Person who is an Employee; (vi) determine the maximum aggregate number of shares or, for purposes of Awards payable in cash, the aggregate amount of cash subject to Awards to be granted to Nonreporting Persons, as a group, who are Employees; and (vii) determine the general form or forms of Awards to be granted to Nonreporting Persons who are Employees.

4.1.2 The Committee or the CEO, subject to the provisions of the Plan and authorization by the Committee, may, at any time and from time to time, (i) determine and designate those Nonreporting Persons who are Employees or Consultants to whom Awards are to be granted; (ii) determine the time or times when Awards to Nonreporting Persons who are Employees or Consultants shall be granted; (iii) determine the form or forms of Awards to be granted to any Nonreporting Person who is an Employee or Consultant, from among the form or forms approved by the Committee; (iv) determine the number of shares of Common Stock or dollar amounts subject to or denominated by each Award to be granted to any Nonreporting Person who is an Employee or Consultant; and (v) determine the terms and conditions of each Award (including, without limitation, any Performance Goals and Performance Levels) to a Nonreporting Person who is an Employee or Consultant. Notwithstanding the foregoing, the Committee may, in its discretion, establish a maximum annual limit on the aggregate Awards that may be granted by the CEO, and/or a maximum annual limit on the Awards that may be granted by the CEO to any individual Nonreporting Person.

4.1.3 Subject to the provisions of the Plan, the Board may, at any time, (i) determine and designate those Directors to whom Awards, other than Incentive Stock Options, are to be granted; (ii) determine the time or times when Awards to Directors shall be granted; (iii) determine the form or forms of Awards to be granted to any Director; (iv) determine the number of shares of Common Stock or dollar amounts subject to or denominated by each Award to be granted to a Director; and (v) determine the terms and condition of each Award (including, without limitation, any Performance Goals and Performance Levels) to a Director.

4.1.4 Awards may be granted singly, in combination or in tandem and may be made in combination or in tandem with or in replacement of, or as alternatives to awards or grants under any other employee plan maintained by the Company or its Subsidiaries. No Awards shall be granted under the Plan after the tenth anniversary of the Effective Date.

SECTION 4.2 ELIGIBILITY

Any Employee, Director or Consultant shall be eligible to receive Awards under the Plan. Additionally, except to the extent it would result in adverse tax consequences under Section 409A of the Code and, if the Securities Act applies, provided such recipient is eligible to be offered securities registrable on Form S-8 under the Securities Act, or the Company determines that an Award granted to such person need not comply with the requirements of Form S-8 and will satisfy an exemption under the Securities Act as well as comply with the securities laws of all other relevant jurisdictions, prospective employees, directors, consultants and advisors who have accepted offers of employment, service or consultancy from the Company or a Subsidiary (and who will be an Employee, Director or Consultant once employment or services to the Company or a Subsidiary commences) shall be eligible to receive Awards under the Plan; provided, however, only current employees of the Company or any subsidiary corporation (within the meaning of Section 424(f) of the Code) shall be eligible to receive Incentive Stock Options under the Plan.

SECTION 4.3 TERMS AND CONDITIONS; AWARD AGREEMENTS

4.3.1 *Terms and Conditions.* Each Award granted pursuant to the Plan shall be subject to all of the terms, conditions and restrictions provided in the Plan and such other terms, conditions and restrictions, if any, as may be specified by the Grantor with respect to the Award in the Award Agreement or as may be specified thereafter by the Grantor in the exercise of its or his or her, as the case may be, powers under the Plan. Without limiting the foregoing, it is understood that the Grantor may, at any time after the granting of an Award hereunder, specify such amended or additional terms, conditions and restrictions with respect to such Award as may be deemed necessary or appropriate to ensure compliance with any and all applicable laws, including, but not limited to, compliance with Federal and state securities laws, compliance with Federal and state gaming or racing laws, compliance with Federal and state tax laws that would otherwise result in adverse and unintended tax consequences for a Grantee, the Company or any Subsidiary and methods of withholding or providing for the payment of required taxes. The terms, conditions and restrictions with respect to any Award, Grantee or Award Agreement need not be identical with the terms, conditions and restrictions with respect to any other Award, Grantee or Award Agreement.

4.3.2 *Award Agreements.* Except as otherwise provided in the Plan, each Award granted pursuant to the Plan shall be evidenced by an Award Agreement and shall comply with, and be subject to, the provisions of the Plan.

4.3.3 *Minimum Vesting Requirement*. All Awards granted under this Plan shall be subject to a minimum one-year vesting period following the Date of Grant, with no portion of the Award vesting or becoming exercisable prior to the end of such one-year period; provided, however, that up to five percent (5%) of the Shares available for distribution under this Plan may be granted pursuant to Awards without such minimum vesting requirement; and provided further that such minimum vesting requirement shall not prevent acceleration of vesting or exercisability pursuant to Article XIII, for Awards issued under Section 11.2.3, or pursuant to the terms of an Award Agreement relating to termination of employment or service.

4.3.4 *Dividends and Dividend Equivalents*. The Committee may grant any Award with dividends or dividend equivalents, as applicable, based on the dividends declared on Common Stock, to be credited as of the dividend payment date(s), during the period between the Date of Grant and the date the Award is exercised, vests or expires, as determined by the Committee and as set forth in the Award Agreement. Notwithstanding the foregoing, such dividends and dividend equivalents on Awards shall accrue and only be paid to the extent the Award becomes vested.

SECTION 4.4 AWARD LIMITS FOR DIRECTORS

In any one calendar year, the Board shall not grant to any one Director Awards with a value which is in excess of $750,000 in value (calculated as of the date of grant in accordance with applicable financial accounting rules).

ARTICLE V
OPTIONS

SECTION 5.1 AWARD OF OPTIONS

5.1.1 *Grants.* The Committee may grant Stock Option Awards to such Reporting Persons who are Employees as the Committee may select in its sole discretion. The Committee or the CEO also may grant Stock Option Awards in such number as the Committee or the CEO may determine to such Nonreporting Persons who are Employees or Consultants as the Committee or the CEO may select in its or his or her, as the case may be, sole discretion; provided, however, such grants shall be subject to any maximum aggregate amount of Awards determined by the Committee under Section 4.1.2. The Board may grant Options to such Directors as the Board may select in its sole discretion. The Grantor shall determine the number of shares of Common Stock to which each Option relates. A Stock Option entitles the holder thereof to purchase full shares of Common Stock at a stated price for a specified period of time.

5.1.2 *Types of Options*

5.1.2.1 *Employees.* Options granted to Employees pursuant to the Plan may be either in the form of Incentive Stock Options or in the form of Non-Qualified Stock Options.

5.1.2.2 *Directors.* Options granted to Directors and Consultants pursuant to the Plan will be in the form of Non-Qualified Stock Options.

5.1.3 *Internal Revenue Code Limits.* Options designated as Incentive Stock Options shall not be eligible for treatment under the Code as "incentive stock options" (and will be deemed to be Non-Qualified Stock Options) to the extent that either (i) the aggregate Fair Market Value of Shares (determined as of the time of grant) with respect to which such Options are exercisable for the first time by the Grantee during any calendar year (under all plans of the Company and any Subsidiary) exceeds $100,000, taking Options into account in the order in which they were granted or (ii) such Options otherwise remain exercisable but are not exercised within three (3) months of termination of employment (or such other period of time provided in Section 422 of the Code).

SECTION 5.2 OPTION PRICE

The Option Price of Common Stock covered by each Option shall be determined by the Grantor, but shall not be less than 100% of the Fair Market Value of a share of Common Stock on the Date of Grant, provided, however, in the case of an Incentive Stock Option granted to Ten Percent Shareholder, the Option Price shall be no less than 110% of the Fair Market Value of a share of Common Stock on the Date of Grant.

SECTION 5.3 OPTION PERIODS

The Grantor shall determine the term of each Option which shall be reflected in the Award Agreement. No Option may be exercised after the expiration of its term. Subject to earlier termination as provided in the Plan, the term shall not exceed ten (10) years from the Date of Grant; provided, that the term of an Incentive Stock Option granted to a Ten Percent Shareholder shall not exceed five (5) years.

SECTION 5.4 EXERCISABILITY

5.4.1 Subject to the terms of the Award Agreement and Article XIII, each Option shall be exercisable at any time or times during the term of the Option and subject to such conditions as the Grantor may prescribe in the applicable Award Agreement.

5.4.2 Except as provided in an Award Agreement, an Option may be exercised only during the Grantee's employment with the Company or any of its Subsidiaries or service as a Director or Consultant. No Option may be exercised for a fractional share.

5.4.3 *Method of Exercise.* A Holder may exercise an Option, in whole or in part, by giving notice of exercise to the Company, in a form and manner acceptable to the Company.

SECTION 5.5 TIME AND METHOD OF PAYMENT FOR OPTIONS

5.5.1 *Form of Payment.* The Holder shall pay the Option Price in cash or, with the Grantor's permission and according to such rules as it may prescribe, by delivering shares of Common Stock already owned by the Holder having a Fair Market Value on the date of exercise equal to the Option Price, or a combination of cash and such shares. The Grantor may also permit payment in accordance with a cashless exercise program under which, if so instructed by the Holder, shares of Common Stock may be issued directly to the Holder's broker or dealer who in turn will sell the shares and pay the Option Price in cash to the Company from the sale proceeds. Finally, the Grantor may permit payment by reducing the number of shares of Common Stock delivered upon exercise by an amount equal to the largest number of whole shares of Common Stock with a Fair Market Value that does not exceed the Option Price, with the remainder of the Option Price being payable in cash.

5.5.2 *Time of Payment.* Except in the case where exercise is conditioned on a simultaneous sale of the Option shares pursuant to a cashless exercise, the Holder shall pay the Option Price before an Option is exercised.

5.5.3 *Methods for Tendering Shares.* The Grantor shall determine acceptable methods for tendering shares of Common Stock as payment upon exercise of an Option and may impose such limitations and restrictions on the use of shares of Common Stock to exercise an Option as it or he or she, as the case may be, deems appropriate.

SECTION 5.6 DELIVERY OF SHARES PURSUANT TO EXERCISE OF OPTION

No shares of Common Stock shall be delivered pursuant to the exercise, in whole or in part, of any Option, unless and until (i) payment in full of the Option Price for such shares is received by the Company and (ii) compliance with all applicable requirements and conditions of the Plan, the Award Agreement and such rules and regulations as may be established by the Grantor, that are preconditions to delivery. Following exercise of the Option and payment in full of the Option Price and compliance with the conditions described in the preceding sentence, the Company shall promptly effect the issuance to the Grantee of such number of shares of Common Stock as are subject to the Option exercise.

ARTICLE VI
STOCK APPRECIATION RIGHTS

SECTION 6.1 AWARD OF SARS

6.1.1 *Grants.* The Committee may grant Stock Appreciation Rights Awards to such Reporting Persons who are Employees, as the Committee may select in its sole discretion. The Committee or the CEO also may grant Stock Appreciation Rights Awards in such number as the Committee or the CEO may determine to such Nonreporting Persons who are Employees or Consultants as the Committee or the CEO may select in its or his or her, as the case may be, sole discretion; provided, however, such grants shall be subject to any maximum aggregate amount of Awards determined by the Committee under Section 4.1.2. The Board may grant Stock Appreciation Rights to such Directors as the Board may select in its sole discretion. The Grantor shall determine the number of shares of Common Stock to which each SAR relates.

6.1.2 *SAR Base Amount.* The SAR Base Amount with respect to each SAR shall be determined by the Grantor, but shall not be less than 100% of the Fair Market Value of a share of Common Stock on the Date of Grant.

SECTION 6.2 SAR PERIODS

The Grantor shall determine the term of each SAR. No SAR may be exercised after the expiration of its term. Subject to earlier termination as provided in the Plan, the term shall not exceed ten (10) years from the Date of Grant.

SECTION 6.3 EXERCISABILITY

6.3.1 Subject to the terms of the Award Agreement and Article XIII, each SAR shall be exercisable at any time during the term of the SAR and subject to such conditions as the Grantor may, from time to time, prescribe in the applicable Award Agreement.

6.3.2 Except as provided in an Award Agreement, a SAR may be exercised only during the Grantee's employment with the Company or any of its Subsidiaries or service as a Director or Consultant.

6.3.3 *Method of Exercise.* A Holder may exercise a SAR, in whole or in part, by giving notice of exercise to the Company, in a form and manner acceptable to the Company.

SECTION 6.4 PAYMENT AMOUNT, TIME AND METHOD OF PAYMENT WITH RESPECT TO SARS

6.4.1 A SAR entitles the Holder thereof, upon the Holder's exercise of the SAR, to receive an amount equal to the product of (i) the amount by which the Fair Market Value on the exercise date of one share of Common Stock exceeds the SAR Base Amount for such SAR, and (ii) the number of shares covered by the SAR, or portion thereof, that is exercised.

6.4.2 Any payment which may become due from the Company by reason of a Grantee's exercise of a SAR may be paid to the Grantee all in cash, all in shares of Common Stock or partly in shares and partly in cash, as provided in the Award Agreement.

6.4.3 In the event that all or a portion of the payment is made in shares of Common Stock, the number of shares of Common Stock received shall be determined by dividing the amount of the payment by the Fair Market Value of a share of Common Stock on the exercise date of the SAR. Cash will be paid in lieu of any fractional share of Common Stock.

6.4.4 Amounts payable in connection with a SAR shall be paid to the Holder, as determined by the Grantor and as set forth in the applicable Award Agreement or in accordance with such rules, regulations and procedures as may be adopted by the Committee or Grantor.

ARTICLE VII
RESTRICTED STOCK AWARDS

SECTION 7.1 GRANTS

The Committee may grant Restricted Stock Awards in such number as it may determine to such Reporting Persons who are Employees as the Committee may select in its sole discretion. The Committee or the CEO also may grant in such number as the Committee or the CEO may determine Restricted Stock Awards to such Nonreporting Persons who are Employees or Consultants as the Committee or the CEO may select in its or his or her, as the case may be, sole discretion; provided, however, such grants shall be subject to any maximum aggregate number of Awards in general and shares of Restricted Stock in particular established by the Committee for grants under the Plan for Nonreporting Persons who are Employees or Consultants as a group. The Board may grant Restricted Stock Awards to such Directors as the Board may select in its sole discretion. A Restricted Stock Award is a grant of shares of Common Stock subject to those conditions, if any, set forth in the Plan and the Award Agreement.

SECTION 7.2 RESTRICTED PERIOD

The Grantor may, from time to time, establish any condition or conditions on which the Restricted Stock Award will vest and no longer be subject to forfeiture. Such conditions may include, without limitation, continued employment by the Grantee or service as a Director, as the case may be, for a period of time specified in the Award Agreement.

SECTION 7.3 RESTRICTIONS AND FORFEITURE

Except as otherwise provided in the Plan or the applicable Award Agreement, the Restricted Stock shall be subject to the following restrictions until the expiration or termination of the Restricted Period: (i) a Holder shall not be entitled to delivery of a certificate evidencing the shares of Restricted Stock until the end of the Restricted Period and the satisfaction of any and all other conditions specified in the Award Agreement applicable to such Restricted Stock and (ii) none of the Restricted Stock may be sold, transferred, assigned, pledged or otherwise encumbered or disposed of during the Restricted Period, and until the satisfaction of any and all other conditions specified in the Award Agreement applicable to such Restricted Stock. Upon the forfeiture of any Restricted Stock, such forfeited shares shall be transferred to the Company without further acts by the Holder.

SECTION 7.4 ISSUANCE OF STOCK AND STOCK CERTIFICATE(S)

7.4.1 *Issuance.* As soon as practicable after the Date of Grant of a Restricted Stock Award, the Company shall cause to be issued in the name of the Grantee (and held by the Company, if applicable, under Section 7.4) such number of shares of Common Stock as constitutes the Restricted Stock awarded under the Restricted Stock Award. Each such issuance shall be subject throughout the Restricted Period to the terms, conditions and restrictions contained in the Plan and/or the Award Agreement.

7.4.2 *Custody and Registration.* Any issuance of Restricted Stock may be evidenced in such manner as the Grantor may deem appropriate, including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of Restricted Stock, such certificate shall be registered in the name of the Grantee and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

SECTION 7.5 SHAREHOLDER RIGHTS

Following registration in the Grantee's name, during the Restricted Period, the Grantee shall have the entire beneficial interest in, and all rights and privileges of a shareholder as to, such shares of Common Stock covered by the Restricted Stock Award, including, but not limited to, the right to vote such shares, subject to the restrictions and forfeitures set forth herein. Notwithstanding the foregoing, all cash dividends and distributions with respect to the shares of Common Stock covered by the Restricted Stock Award that remain subject to restrictions shall accrue and be paid pursuant to Article IV, Section 4.3.4.

SECTION 7.6 DELIVERY OF SHARES

Upon the expiration (without a forfeiture) of the Restricted Period or at such earlier time as provided under the Plan, all shares of Restricted Stock shall be released from all restrictions and forfeiture provisions hereunder, any similar restrictions and forfeiture provisions under the Award Agreement applicable to such shares and all other restrictions and forfeiture provisions of the Plan or such Award Agreement. No payment will be required from the Holder upon the delivery of any shares of Restricted Stock, except that any amount necessary to satisfy applicable Federal, state or local tax requirements shall be paid by the Holder in accordance with the requirements of the Plan.

ARTICLE VIII
RESTRICTED STOCK UNIT AWARDS

SECTION 8.1 GRANTS

The Committee may grant Restricted Stock Unit Awards to such Reporting Persons who are Employees as the Committee may select in its sole discretion. The Committee or the CEO also may grant Restricted Stock Unit Awards in such number as the Committee or the CEO may determine to such Nonreporting Persons who are Employees or Consultants, as the Committee or the CEO may select in its or his or her, as the case may be, sole discretion; provided, however, such grants shall be subject to any maximum aggregate number of Awards in general and Restricted Stock Unit Awards in particular established by the Committee for grants under the Plan for Nonreporting Persons who are Employees or Consultants as a group. The Board may grant Restricted Stock Unit Awards to Directors as the Board may select in its sole discretion.

SECTION 8.2 VESTING OF RESTRICTED STOCK UNIT AWARDS

Restricted Stock Units shall become vested as set forth in the applicable Award Agreement unless otherwise described in the Plan.

SECTION 8.3 SETTLEMENT OF RESTRICTED STOCK UNIT AWARDS

Upon vesting of a Restricted Stock Unit Award, the Grantee shall receive the number of shares of Common Stock (which may be Restricted Stock) specified in the Restricted Stock Unit Award, an amount payable in cash determined by multiplying the number of Restricted Stock Units by the Fair Market Value of one share of Common Stock as of the vesting date, or a combination thereof, as specified by the Grantor in the Award Agreement.

SECTION 8.4 TIME OF PAYMENT/ISSUANCE OF SHARES

Amounts payable and/or shares to be issued in connection with a Restricted Stock Unit shall be paid and/or issued to the Holder, as determined by the Grantor and as set forth in the applicable Award Agreement or in accordance with such rules, regulations and procedures as may be adopted by the Grantor but in no event later than two and one-half months following the end of the calendar year in which a restriction lapses or a vesting condition is met.

ARTICLE IX
OTHER AWARDS

SECTION 9.1 GRANTS

The Committee may grant Other Awards to such Reporting Persons who are Employees as the Committee may select in its sole discretion. The Committee or the CEO also may grant Other Awards to such Nonreporting Persons who are Employees or Consultants as the Committee or the CEO may select in its or his or her, as the case may be, sole discretion; provided, however, such grants shall be subject to any maximum aggregate amount of Awards in general and Other Awards in particular (if any) established by the Committee for grants under the Plan for Nonreporting Persons who are Employees or Consultants as a group. The Board may grant Other Awards to such Directors as the Board may select in its sole discretion. An Other Award may or may not be evidenced by an Award Agreement.

SECTION 9.2 DESCRIPTION OF OTHER AWARDS

An Other Award may be a grant of a type of equity-based, equity-related, or cash based Award not otherwise described by the terms of the Plan in such amounts and subject to such terms and conditions as determined by the Grantor, from time to time, under the Plan. Such Awards may provide for the payment of shares of Common Stock or cash or any combination thereof to a Grantee. The value of a cash-based Other Award shall be determined by the Grantor.

ARTICLE X
PERFORMANCE AWARDS

SECTION 10.1 GENERAL

An Award described in Article VII or VIII may take the form of a Performance Award to the extent that the Grantor makes it subject to the achievement of one or more Performance Goals during one or more Performance Periods, as described in this Article X.

SECTION 10.2 PERFORMANCE AWARD AGREEMENTS

10.2.1 *Terms of Performance Awards*. Prior to or as soon as administratively feasible after the first day of each Award Period, the Grantor shall establish in writing the Performance Award terms, including, without limitation, the Award Target and the applicable Performance Goals, the Performance Levels for the first Performance Period, the nature of the Performance Award (*e.g.*, Performance Shares, Performance Units, or a combination thereof), and the Award Period. Thereafter, the Grantor shall establish the applicable Performance Goals for each of the subsequent Performance Periods in an Award Period prior to, or as soon as practicable after the beginning of, each such Performance Period. The terms of the Performance Award established by the Grantor pursuant to this Section 10.2 shall in each case be subject to adjustment as determined by the Grantor in its discretion as a result of changes in accounting principles and other significant extraordinary items or events.

10.2.2 *Issuance of Award Agreements for Performance Awards*. An Award Agreement shall be provided to each Grantee to whom a Performance Award is granted as promptly as practicable after such grant. After the Grantor establishes the Performance Goals and Performance Levels applicable to a Performance Period, the Company will notify the Grantee in writing of such Performance Goals and Performance Levels.

SECTION 10.3 DETERMINATION OF PERFORMANCE GOAL ACHIEVEMENT AND SETTLEMENT OF PERFORMANCE AWARDS

As soon as administratively feasible after the end of each Performance Period, the Grantor shall determine whether the Performance Goals have been achieved for such Performance Period, and the level of such achievement. Upon such determination, the Grantee will have credited to his or her account a number of Performance Shares and/or Performance Units for such Performance Period based on the Grantor's determination of Performance Goal achievement and Performance Levels as set forth in the Grantee's Award Agreement. Any Performance Shares and/or Performance Units credited in accordance with this Section 10.3 shall remain subject to restrictions until the end of the Award Period, unless the lapse of such restrictions is accelerated as set forth in the Award Agreement or in Article XIII. At the end of the Award Period, any Performance Units credited to the Grantee's account will be settled in shares of Common Stock, cash or a combination thereof, as determined by the Grantor and as set forth in the Award Agreement.

SECTION 10.4 CONTINUED ELIGIBILITY FOR AND FORFEITURE OF PERFORMANCE AWARDS

Except as provided in Article XIII, an Award Agreement or an agreement with the Company or a Subsidiary providing for severance benefits, each Grantee who receives a Performance Award must remain continuously employed by, or in the service of (as applicable), the Company or any Subsidiary from the date he or she receives such Performance Award until the last day of the Award Period.

ARTICLE XI
CERTAIN TERMS APPLICABLE TO ALL AWARDS

SECTION 11.1 WITHHOLDING TAXES

The Company and any Subsidiary shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under the Plan the amount (in cash, shares of Common Stock, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under the Plan and to take such other action as may be necessary in the opinion of the Company or a Subsidiary to satisfy statutory withholding obligations for the payment of such taxes. Without limiting the generality of the foregoing, the Committee may, in its sole discretion, permit or require a Grantee to satisfy, in whole or in part, the foregoing tax withholding by (i) the delivery of shares of Common Stock (which, except as otherwise determined by the Committee, are not subject to any pledge or other security interest

and that meet such requirements, if any, as the Committee may determine are necessary in order to avoid an accounting earnings charge on account of the use of such shares to satisfy a tax withholding obligation) owned by the Grantee having a Fair Market Value equal to such withholding obligation, or (ii) having the Company withhold from the number of shares of Common Stock otherwise issuable or deliverable pursuant to the exercise or settlement of the Award (or, in the case of Restricted Stock, returning to the Company from the shares of Common Stock that would otherwise vest) a number of such shares with a Fair Market Value equal to such withholding obligation, but in no event exceeding the maximum statutory tax rates of the Grantee's applicable jurisdiction (or such other rate as would not trigger a negative accounting impact), as determined by the Company in its sole discretion.

SECTION 11.2 ADJUSTMENTS TO REFLECT CAPITAL CHANGES

11.2.1 *Recapitalization, etc.* In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, shares of Common Stock or other securities), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares of Common Stock, other securities of the Company, issuance of warrants or other rights to purchase shares of Common Stock or other securities of the Company, or other similar corporate transaction or event constitutes an equity restructuring transaction, as that term is defined in ASC Topic 718, Compensation-Stock Compensation, or otherwise affects the shares of Common Stock, then the Committee shall adjust the following in a manner that is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan:

11.2.1.1 the number and type of shares of Common Stock or other securities which thereafter may be made the subject of Awards, including the aggregate limits specified in the Plan;

11.2.1.2 the number and type of shares of Common Stock or other securities subject to outstanding Awards;

11.2.1.3 the grant, purchase, SAR Base Amount or Option Price with respect to any Award, or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; and

11.2.1.4 other value determinations applicable to outstanding Awards.

11.2.2 *Sale or Reorganization.* After any reorganization, merger or consolidation whether or not the Company is the surviving corporation and unless there is a provision in the sale or reorganization agreement to the contrary, each Grantee shall, at no additional cost, be entitled upon any exercise of an Option or receipt of other Award to receive (subject to any required action by shareholders), in lieu of the number of shares of Common Stock receivable or exercisable pursuant to such Award, the number and class of shares of stock or other securities to which such Grantee would have been entitled pursuant to the terms of the reorganization, merger or consolidation if, at the time of such reorganization, merger or consolidation, such Grantee had been the holder of record of a number of shares of stock equal to the number of shares receivable or exercisable pursuant to such Award. Comparable rights shall accrue to each Grantee in the event of successive reorganizations, mergers or consolidations of the character described above. Subject to Section 14.1, in the event of a Change of Control, the Grantor may (i) cancel without consideration any outstanding Awards with an exercise price that is more than the Fair Market Value of Common Stock as of the Change of Control, and (ii) in lieu of the substituted shares referenced herein, elect to pay Grantee a cash payment equal to the difference between the exercise price for the Award and the Fair Market Value of the Company's Common Stock as of the Change of Control.

11.2.3 *Equity Plans Acquired in Merger and Acquisition Transactions.* After any reorganization, merger or consolidation in which the Company or a Subsidiary shall be a surviving corporation and where such acquired or merged trade or business maintains an equity compensation plan for its employees, directors and/or consultants (the "Target Plan"), the Committee may (i) add to the number of shares of Common Stock that may be issued under this Plan in accordance with Section 3.2 a proportionate number shares available for issuance under the Target Plan, and/or (ii) substitute or replace outstanding awards under the Target Plan with similar Awards issued under this Plan; provided that any such substitution or replacement is consummated in an equitable manner, as determined by the Committee in its discretion, including, without limitation, substitution options granted under the Target Plan with Options under this Plan in accordance with Section 424 of the Code. Any such adjustments may provide for the elimination of any fractional shares which might otherwise become subject to any Awards.

SECTION 11.3 REGULATORY APPROVALS AND LISTING

The Company shall not be required to issue any certificate or certificates for shares of Common Stock under the Plan prior to (i) obtaining any approval from any governmental agency which the Company shall, in its discretion, determine to be necessary or advisable, (ii) the admission of such shares to listing on any national securities exchange on which the Company's Common Stock may be listed, and (iii) the completion of any registration or other qualification of such shares of Common Stock under any state or Federal law or ruling or regulations of any governmental body which the Company shall, in its discretion, determine to be necessary or advisable. All share certificates delivered pursuant to this Plan and all shares of Common Stock issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with applicable law. The Committee may place legends on any share certificate or book entry to reference restrictions applicable to the shares of Common Stock.

SECTION 11.4 RESTRICTIONS UPON RESALE OF STOCK

If the shares of Common Stock that have been issued to a Holder pursuant to the terms of the Plan are not registered under the Securities Act, pursuant to an effective registration statement, such Holder, if the Committee shall deem it advisable, may be required to represent and agree in writing (i) that any such shares acquired by such Holder pursuant to the Plan will not be sold except pursuant to an effective registration statement under the Securities Act, or pursuant to an exemption from registration under the Securities Act and, (ii) that such Holder is acquiring such shares for his or her own account and not with a view to the distribution thereof.

SECTION 11.5 REPORTING PERSON LIMITATION

Notwithstanding any other provision of the Plan, to the extent required to qualify for the exemption provided by Rule 16b-3 and any successor provision, any Common Stock or other equity security offered under the Plan to a Reporting Person may not be sold for at least six (6) months after the earlier of acquisition of the security or the date of grant of the derivative security, if any, pursuant to which the Common Stock or other equity security was acquired.

ARTICLE XII
ADMINISTRATION OF THE PLAN

SECTION 12.1 COMMITTEE

The Plan shall be administered by or under the direction of the Committee.

SECTION 12.2 COMMITTEE ACTIONS

Except for matters required by the terms of the Plan to be decided by the Board or the CEO, the Committee shall have full power and authority to interpret and construe the Plan, to prescribe, amend and rescind rules, regulations, policies and practices, to impose such conditions and restrictions on Awards as it deems appropriate and to make all other determinations necessary or desirable in connection with the administration of, or the performance of its responsibilities under, the Plan.

SECTION 12.3 DESIGNATION OF BENEFICIARY

Each Holder may file with the Company a written designation (in a form prescribed by the Committee) of one or more persons as the Beneficiary who shall be entitled to receive the Award, if any, payable under the Plan upon his or her death. A Holder may from time to time revoke or change his or her Beneficiary designation without the consent of any prior Beneficiary by filing a new designation with the Company. The last such designation received by the Company shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Company prior to the Holder's death, and in no event shall it be effective as of a date prior to such receipt. If no such Beneficiary designation is in effect at the time of a Holder's death, or if no designated Beneficiary survives the Holder or if such designation conflicts with law, the Holder's estate shall be entitled to receive the Award, if any, payable under the Plan upon his or her death. If the Committee is in doubt as to the right of any person to receive such Award, the Company may retain such Award, without liability for any interest thereon, until the Committee determines the rights thereto, or the Company may pay such Award into any court of appropriate jurisdiction and such payment shall be a complete discharge of the liability of the Company therefore.

SECTION 12.4 NO RIGHT TO AN AWARD OR TO CONTINUED EMPLOYMENT

No Grantee or other person shall have any claim or right to be granted an Award under the Plan. Neither the action of the Company in establishing the Plan, nor any provisions hereof, nor any action taken by the Company, any Subsidiary, the Board, the Committee or the CEO pursuant to such provisions shall be construed as creating in any employee or class of employees any right with respect to continuation of employment by the Company or any of its Subsidiaries, and they shall not be deemed to interfere in any way with the Company's or any Subsidiary's right to employ, discipline, discharge, terminate, lay off or retire any Grantee, with or without cause, to discipline any employee, or to otherwise affect the Company's or a Subsidiary's right to make employment decisions with respect to any Grantee.

SECTION 12.5 DISCRETION OF THE GRANTOR

Whenever the terms of the Plan provide for or permit a decision to be made or an action to be taken by a Grantor, such decision may be made or such action taken in the sole and absolute discretion of such Grantor and shall be final, conclusive and binding on all persons for all purposes; provided, however, that the Board may review any decision or action of the Grantor and it may reverse or modify such Award, decision or act as it deems appropriate. The Grantor's determinations under the Plan, including, without limitation the determination of any person to receive Awards and the amount of such Awards, need not be uniform.

SECTION 12.6 INDEMNIFICATION AND EXCULPATION

12.6.1 *Indemnification.* Each person who is or shall have been a member of the Board or the Committee and each director, officer or employee of the Company or any Subsidiary to whom any duty or power related to the administration or interpretation of the Plan may be delegated (each, an "Indemnified Person"), shall be indemnified and held harmless by the Company against and from any and all loss, cost, liability or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit or proceeding to which such person may be or become a party or in which such person may be or become involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by such person in settlement thereof (with the Company's written approval) or paid by such person in satisfaction of a judgment in any such action, suit or proceeding, except a judgment in favor of the Company based upon a finding of such person's bad faith; subject, however, to the condition that upon the institution of any claim, action, suit or proceeding against such person, he or she shall in writing give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of, and shall be in addition to, any other right to which such person may be entitled under the Company's charter or bylaws, as a matter of law or otherwise, or any power that the Company may have to indemnify such person or hold such person harmless.

12.6.2 *Exculpation.* No Indemnified Person shall be personally liable by reason of any contract or other instrument executed by such person or on such person's behalf in his or her capacity as an Indemnified Person hereunder, nor for any mistake of judgment made in good faith, unless otherwise provided by law. Each Indemnified Person shall be fully justified in relying or acting upon in good faith any information furnished in connection with the administration of the Plan by any appropriate person or persons other than himself or herself. In no event shall any Indemnified Person be liable for any determination made or other action taken or any omission to act in reliance upon such report or information, for any action (including the furnishing of information) taken or any failure to act, if in good faith.

SECTION 12.7 UNFUNDED PLAN

The Plan is intended to constitute an unfunded, long-term incentive compensation plan for certain selected Employees and Directors. No special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts. The Company may, but shall not be obligated to, acquire shares of its Common Stock from time to time in anticipation of its obligations under the Plan, but no Grantee shall have any right in or against any shares of Common Stock so acquired. All such shares shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes as it may deem appropriate. No obligation or liability of the Company to any Grantee with respect to any right to receive a distribution or payment under the Plan shall be deemed to be secured by any pledge or other encumbrance on any property of the Company.

SECTION 12.8 INALIENABILITY OF RIGHTS AND INTERESTS

The rights and interests of a Holder under the Plan are personal to the Holder and to any person or persons who may become entitled to distribution or payments under the Plan by reason of death of the Holder, and the rights and interests of the Holder or any such person (including, without limitation, any Award distributable or payable under the Plan) shall not be subject in any manner to alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any such attempted action shall be void and no such benefit or interest shall be in any manner liable for or subject to debts, contracts, liabilities, engagements or torts of any Holder. If any Holder shall attempt to alienate, sell, transfer, assign, pledge, encumber or charge any of his rights or interests under the Plan, (including without limitation, any Award payable under the Plan) then the Committee may hold or apply such benefit or any part thereof to or for the benefit of such Holder in such manner and in such proportions as the Committee may consider proper. Notwithstanding the foregoing, the Holder, subject to the approval of the Company may elect to irrevocably transfer some or all of an Award to a family member. For this purpose, a family member shall refer to one or more of the Holder's spouse, children or grandchildren, or to a trust established solely for the benefit of, or to a partnership whose partners are, the Holder's spouse, children and grandchildren; provided, however, that:

(i) the Award, once transferred, may not again be transferred except by will or by the laws of descent and distribution;

(ii) the Award, once transferred, shall remain subject to the same terms and conditions of the Award in effect before the transfer and the transferee of the Award (the "Transferee") must comply with all other provisions of the Award; and

(iii) the Holder receives no consideration for such transfer. No transferred Award shall be exercisable following a transfer, as provided for herein, unless the Committee receives written notice from the Holder in a form and manner satisfactory to the Committee, in its sole discretion, to the effect that a transfer of the Award has occurred and the notice identifies the Award transferred, the identity of the Transferee and his or her relationship to the Holder.

SECTION 12.9 AWARDS NOT INCLUDABLE FOR BENEFIT PURPOSES

Except as otherwise set forth in any applicable 401(k) plan, payments received by a Grantee pursuant to the provisions of the Plan shall not be included in the determination of benefits under any pension, group insurance or other benefit plan applicable to the Grantee which is maintained by the Company or any of its Subsidiaries, except as may be determined by the Committee.

SECTION 12.10 NO ISSUANCE OF FRACTIONAL SHARES

The Company shall not be required to deliver any fractional share of Common Stock but, as determined by the Committee, may pay a cash amount to the Holder in lieu thereof, except as otherwise provided in the Plan, equal to the Fair Market Value (determined as of an appropriate date determined by the Committee) of such fractional share.

SECTION 12.11 MODIFICATION FOR INTERNATIONAL GRANTEES

Notwithstanding any provision to the contrary, the Committee may incorporate such provisions, or make such modifications or amendments in Award Agreements of Grantees who reside or are employed outside of the United States of America, or who are citizens of a country other than the United States of America, as the Committee deems necessary or appropriate to accomplish the purposes of the Plan with respect to such Grantee in light of differences in applicable law, tax policies or customs, and to ascertain compliance with all applicable laws.

SECTION 12.12 LEAVES OF ABSENCE

The Committee shall be entitled to make such rules, regulations and determinations as it deems appropriate under the Plan in respect of any leave of absence taken by the recipient of any Award. Without limiting the generality of the foregoing, the Grantor shall be entitled to determine (i) whether or not any such leave of absence shall constitute a termination of employment for purposes of the Plan and any Award Agreement, and (ii) the impact, if any, of any such leave of absence on Awards under the Plan theretofore made to any recipient who takes such leave of absence. Notwithstanding the foregoing, with respect to Awards that are "deferred compensation" under Section 409A of the Code, to the extent necessary to avoid incurring adverse tax consequences under Section 409A of the Code, any leave of absence taken by the recipient shall constitute a termination of employment within the meaning of the Plan when the recipient has a "separation from service" as defined in Section 409A of the Code and the regulations thereunder.

SECTION 12.13 COMMUNICATIONS

12.13.1 *Communications by the Grantor.* All notices, statements, reports and other communications made, delivered or transmitted to a Holder or other person under the Plan shall be deemed to have been duly given, made or transmitted, when sent electronically to a Company or Subsidiary e-mail address, when delivered to, or when mailed by first-class mail, postage prepaid and addressed to, such Holder or other person at his or her address last appearing on the records of the Company.

12.13.2 *Communications by the Directors, Consultants, Employees, and Others.* All elections, designations, requests, notices, instructions and other communications made, delivered or transmitted by the Company, a Subsidiary, Grantee, Beneficiary or other person to the Committee required or permitted under the Plan shall be transmitted by any means authorized by the Committee or shall be mailed by first-class mail or delivered to the Company's principal office to the attention of the Company's Secretary or such other location as may be specified by the Committee, and shall be deemed to have been given and delivered only upon actual receipt thereof by the Committee at such location.

SECTION 12.14 PARTIES IN INTEREST

The provisions of the Plan and the terms and conditions of any Award shall, in accordance with their terms, be binding upon, and inure to the benefit of, all successors of each Grantee, including, without limitation, such Grantee's estate and the executors, administrators, or trustees thereof, heirs and legatees, and any receiver, trustee in bankruptcy or representative of creditors of such Grantee. The obligations of the Company under the Plan shall be binding upon the Company and its successors and assigns.

SECTION 12.15 SEVERABILITY

Whenever possible, each provision in the Plan and every Award at any time granted under the Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Plan or any Award at any time granted under the Plan shall be held to be prohibited by or invalid under applicable law, then (i) such provision shall be deemed amended to accomplish the objectives of the provision as originally written to the fullest extent permitted by law, and (ii) all other provisions of the Plan and every other Award at any time granted under the Plan shall remain in full force and effect.

SECTION 12.16 COMPLIANCE WITH LAWS

The Plan and the grant of Awards shall be subject to all applicable Federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required. It is intended that the Plan be applied and administered in compliance with Rule 16b-3. If any provision of the Plan would be in violation of Rule 16b-3 if applied as written, such provision shall not have effect as written and shall be given effect so as to comply with Rule 16b-3, as determined by the Committee. The Board is authorized to amend the Plan and to make any such modifications to Award Agreements to comply with Rule 16b-3, and to make any such other amendments or modifications as it deems necessary or appropriate to better accomplish the purposes of the Plan in light of any amendments made to Rule 16b-3.

SECTION 12.17 NO STRICT CONSTRUCTION

No rule of strict construction shall be implied against the Company, the Board, the Committee, the CEO or any other person in the interpretation of any of the terms of the Plan, any Award Agreement, any Award granted under the Plan or any rule or procedure established by the Committee or the Board.

SECTION 12.18 MODIFICATION

This document contains all of the provisions of the Plan and no provisions may be waived, modified or otherwise altered except in a writing adopted by the Committee or, with respect to Director Awards, the Board.

SECTION 12.19 GOVERNING LAW

All questions pertaining to validity, construction and administration of the Plan and the rights of all persons hereunder shall be determined with reference to, and the provisions of the Plan shall be governed by and shall be construed in conformity with, the internal laws of the Commonwealth of Pennsylvania without regard to any of its conflict of laws principles.

SECTION 12.20 CLAWBACK POLICY

Notwithstanding anything to the contrary herein, all outstanding Awards constitute "Incentive Compensation" as defined in the Company's Clawback Policy and pursuant to which the Committee may cancel any Award to the extent that the terms of the Clawback Policy so provide.

ARTICLE XIII
CHANGE OF CONTROL

SECTION 13.1 IMPACT OF CHANGE OF CONTROL

Subject to Section 11.2.2, in the event of a Change of Control, upon a Grantee's termination of employment by the Grantee's employer without Cause, or by the Grantee for Good Reason (as defined below), within two (2) years following the Change of Control (or on the date of the Change of Control), then (a) Options (with an exercise price that is less than the Fair Market Value of the Company's Common Stock at the time of the Change in Control) and SARs shall vest and become fully exercisable, (b) restrictions on Restricted Stock Awards and Restricted Stock Unit Awards shall lapse and such Awards shall become fully vested, (c) any Performance Awards with vesting or other provisions tied to achievement of Performance Goals shall be considered to be vested (and, as applicable, shall be earned and paid) at Target Performance, (d) any Awards payable in cash shall be paid within thirty (30) days after such termination of employment to all Grantees who have been granted such an Award, and (e) such other additional benefits, changes or adjustments as the Committee deems appropriate and fair shall apply, subject in each case to any terms and conditions contained in the Award Agreement evidencing such Award. For purposes of this Section 13.1, "Good Reason" shall mean the occurrence of any of the following events that the Company fails to cure within ten (10) days after receiving written notice thereof from the Grantee (which notice must be delivered within thirty (30) days of the Grantee becoming aware of the applicable event or circumstance): (i) assignment to the Grantee of any duties inconsistent in any material respect with the Grantee's position (including status, titles, and reporting requirements), authority, duties or responsibilities or inconsistent with the Grantee's legal or fiduciary obligations; (ii) any reduction in the Grantee's compensation or substantial reduction in the Grantee's benefits taken as a whole; (iii) any travel requirements materially greater than the Grantee's travel requirements prior to the Change of Control; (iv) any office relocation of greater than 50 miles from the Grantee's then current office; or (v) any breach of any material term of any employment agreement between the Company and the Grantee.

SECTION 13.2 ASSUMPTION UPON CHANGE OF CONTROL

Notwithstanding the foregoing, if in the event of a Change of Control, the successor company does not agree to assume or substitute for an Award, or the Awards will otherwise not remain outstanding after the Change of Control, then, in lieu of such outstanding assumed or substituted Award, the holder shall be entitled to the benefits set forth in the first sentence of Section 13.1 as of the date of the Change of Control, to the same extent as if the holder's employment or service as a Director or Consultant had been terminated by the Company without Cause as of the date of the Change of Control. For the purposes of this Section 13.2, an Award shall be considered assumed or substituted for if following the Change of Control the award confers the right to purchase or receive, for each share subject to the Award immediately prior to the Change of Control, the consideration (whether stock, cash or other securities or property) received in the transaction constituting a Change of Control by holders of shares for each share held on the effective date of such transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares); provided, however, that if such consideration received in the transaction constituting a Change of Control is not solely common stock of the successor company, the Committee may, with the consent of the successor company, provide that the consideration to be received upon the exercise or vesting of any Award, for each share subject thereto, will be solely common stock of the successor company substantially equal in fair market value to the per share consideration received by holders of Shares in the transaction constituting a Change of Control. The determination of

such substantial equality of value or consideration shall be made by the Committee before the Change of Control in its sole discretion and its determination shall be conclusive and binding. Any assumption or substitution of the Incentive Stock Option will be made in a manner that will not be considered a "modification" under the provisions of Section 424(h)(3) of the Code.

ARTICLE XIV
AMENDMENT AND TERMINATION

SECTION 14.1 AMENDMENT; NO REPRICING

The Board or the Committee with respect to the Plan, and the Grantor with respect to any Award Agreement, reserve the right at any time to modify, alter or amend, in whole or in part, any or all of the provisions of the Plan or any Award Agreement to any extent and in any manner that it or he, as the case may be, may deem advisable, and no consent or approval by the shareholders of the Company, by any Grantee or Beneficiary, or by any other person, committee or entity of any kind shall be required to make any modification, alteration or amendment; provided, however, that the Board shall not, without the requisite affirmative approval of the shareholders of the Company, make any modification, alteration or amendment that requires shareholders' approval under any applicable law, the Code or stock exchange requirements. No modification, alteration or amendment of the Plan or any Award Agreement may, without the consent of the Grantee (or the Grantee's Beneficiaries in case of the Grantee's death) to whom any Award shall theretofore have been granted under the Plan, adversely affect any material right of such Grantee under such Award, except in accordance with the provisions of the Plan and/or any Award Agreement applicable to any such Award. Subject to the provisions of this Section 14.1, any modification, alteration or amendment of any provisions of the Plan may be made retroactively. Except as otherwise provided in Section 11.2 hereof, neither the Committee nor the Board shall (i) reduce the SAR Base Amount or Option Price, as applicable, of Stock Options or SARs previously awarded to any Grantee, (ii) cancel, surrender, replace or otherwise exchange any outstanding Stock Option or SAR where the Fair Market Value of the Common Stock underlying such Stock Option or SAR is less than its Option Price for a new Stock Option or SAR, another Award, cash, shares of Common Stock or other securities or (iii) take any other action that is considered a "repricing" for purposes of the shareholder approval rules of the applicable securities exchange or inter-dealer quotation system on which the shares of Common Stock are listed or quoted, without the requisite prior affirmative approval of the shareholders of the Company.

SECTION 14.2 SUSPENSION OR TERMINATION

The Board reserves the right at any time to suspend or terminate, in whole or in part, any or all of the provisions of the Plan for any reason and without the consent of or approval by the shareholders of the Company, any Holder or any other person, committee or entity of any kind; provided, however, that no such suspension or termination shall adversely affect any material right or obligation with respect to any Award theretofore made except as herein otherwise provided.

ARTICLE XV
SECTION 409A

The Company intends that payments and benefits under this Plan and any Award Agreement issued hereunder comply with, or be exempt from, Section 409A of the Code and, accordingly, to the maximum extent permitted, this Plan and any Award Agreement shall be interpreted to be in compliance therewith. A termination of employment or service shall not be deemed to have occurred for purposes of any provision of this Plan or any Award Agreement providing for the payment of any amounts or benefits upon or following a termination of employment or service that are considered "nonqualified deferred compensation" under Section 409A unless such termination is also a "separation from service" within the meaning of Section 409A. If a Grantee is determined to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) (as determined in accordance with the uniform policy adopted by the Committee with respect to all of the arrangements subject to Section 409A maintained by the Company and its Subsidiaries), then with regard to any payment that is considered non-qualified deferred compensation under Section 409A payable on account of a "separation from service," such payment shall be made or provided no earlier than the first day of the seventh month following such Grantee's "separation from service," (or upon the Grantee's death, if earlier). Each payment of an Award under the Plan shall be treated as a separate payment for purposes of Section 409A. In no event shall the Company or any of its directors, members, managers, officers or employees, or the Grantor, be responsible for any tax, penalty, interest or liability that arises as a result of a violation of Section 409A.

ARTICLE XVI
EFFECTIVE DATE AND TERM OF THE PLAN

The Plan became effective on the Effective Date. No Award shall be granted under the Plan after the date specified in Section 4.1.4. The Plan will continue in effect for existing Awards as long as any such Awards are outstanding.

2023

Notice of annual meeting
and proxy statement

PENN
ENTERTAINMENT